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Washington, Thursday, October 26, 1950

TITLE 3—THE PRESIDENT

EXECUTIVE ORDER 10174

FURTHER AMENDMENT OF EXECUTIVE ORDER NO. 10084[1] OF OCTOBER 12, 1949, PRESCRIBING REGULATIONS FOR THE ADMINISTRATION OF CERTAIN PROVISIONS OF THE CAREER COMPENSATION ACT OF 1949

By virtue of and pursuant to the authority vested in me by the Career Compensation Act of 1949, approved October 12, 1949 (Public Law 351, 81st Congress), Executive Order No. 10084 of October 12, 1949, entitled "Prescribing Regulations for the Administration of Certain Provisions of the Career Compensation Act of 1949", as amended by Executive Orders No. 10098 of January 25, 1950, No. 10118 of March 27, 1950, No. 10136 of June 30, 1950, and No. 10158 of August 31, 1950, is hereby further amended as follows:

To the extent that such order adopts and prescribes regulations required or authorized to be prescribed by the President under section 302 of the Career Compensation Act of 1949, it shall continue in effect until January 31, 1951.

This order shall become effective on November 1, 1950.

HARRY S. TRUMAN

THE WHITE HOUSE,
October 23, 1950.

[F. R. Doc. 50-9464; Filed, Oct. 23, 1950; 4:41 p. m.]

TITLE 6—AGRICULTURAL CREDIT

Chapter III—Farmers Home Administration, Department of Agriculture

Subchapter B—Farm Ownership Loans

PART 311—BASIC REGULATIONS

SUBPART B—LOAN LIMITATIONS

AVERAGE VALUES OF FARMS AND INVESTMENT LIMITS

For the purposes of Title I of the Bankhead-Jones Farm Tenant Act, as amended, average values of efficient family-type farm-management units and investment limits for the counties identified below are determined to be as herein set forth. The average values and investment limits heretofore established for said counties, which appear in the tabulations of average values and investment limits under § 311.30, Chapter III, Title 6 of the Code of Federal Regulations (13 F. R. 9381), are hereby superseded by the average values and investment limits set forth below for said counties.

ARKANSAS

County	Average value	Investment limit
Arkansas	$20,000	$12,000
Ashley	15,000	12,000
Baxter	10,000	10,000
Benton	14,000	12,000
Boone	14,000	12,000
Bradley	12,000	12,000
Calhoun	12,000	12,000
Carroll	14,000	12,000
Chicot	17,000	12,000
Clark	12,000	12,000
Clay	18,000	12,000
Cleburne	10,000	10,000
Cleveland	12,000	12,000
Columbia	11,000	11,000
Conway	12,000	12,000
Craighead	18,000	12,000
Crawford	12,000	12,000
Crittenden	18,000	12,000
Cross	18,000	12,000
Dallas	12,000	12,000
Desha	17,000	12,000
Drew	15,000	12,000
Faulkner	12,000	12,000
Franklin	12,000	12,000
Fulton	10,000	10,000
Garland	10,000	10,000
Grant	10,000	10,000
Greene	18,000	12,000
Hempstead	12,000	12,000
Hot Spring	12,000	12,000
Howard	12,000	12,000
Independence	15,000	12,000
Izard	10,000	10,000
Jackson	15,000	12,000
Jefferson	15,000	12,000
Johnson	12,000	12,000
Lafayette	12,000	12,000
Lawrence	15,000	12,000
Lee	18,000	12,000
Lincoln	15,000	12,000
Little River	12,000	12,000
Logan	12,000	12,000
Lonoke	15,000	12,000
Madison	12,000	12,000
Marion	10,000	10,000
Miller	12,000	12,000
Mississippi	19,000	12,000
Monroe	15,000	12,000
Montgomery	10,000	10,000
Nevada	12,000	12,000
Newton	10,000	10,000
Ouachita	12,000	12,000
Perry	12,000	12,000
Phillips	18,000	12,000
Pike	10,000	10,000
Poinsett	18,000	12,000
Polk	10,000	10,000
Pope	12,000	12,000
Prairie	15,000	12,000
Pulaski	15,000	12,000
Randolph	15,000	12,000
Saint Francis	18,000	12,000
Saline	10,000	10,000
Scott	12,000	12,000
Searcy	10,000	10,000

(Continued on p. 7167)

[1] 3 CFR, 1949 Supp.; 14 F. R. 6245.

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THE PRESIDENT

EXECUTIVE AGENCIES

FEDERAL REGISTER

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CODIFICATION GUIDE

A numerical list of the parts of the Code of Federal Regulations affected by documents published in this issue. Proposed rules, as opposed to final actions, are identified as such.

CODIFICATION GUIDE—Con.

ARKANSAS—Continued

County	Average value	Investment limit
Sebastian	$12,000	$12,000
Sevier	11,000	11,000
Sharp	10,000	10,000
Stone	10,000	10,000
Union	11,000	11,000
Van Buren	10,000	10,000
Washington	14,000	12,000
White	15,000	12,000
Woodruff	15,000	12,000
Yell	12,000	12,000

(Sec. 41, 50 Stat. 529, as amended; 7 U. S. C. and Sup. 1015. Interprets or applies secs. 3, 44, 60 Stat. 1074, as amended, 1069; 7 U. S. C. and Sup., 1003, 1018)

Issued this 20th day of October 1950.

[SEAL] K. T. HUTCHINSON,
Acting Secretary of Agriculture.

[F. R. Doc. 50-9442; Filed, Oct. 25, 1950; 8:48 a. m.]

Chapter IV—Production and Marketing Administration and Commodity Credit Corporation, Department of Agriculture

Subchapter C—Loans, Purchases, and Other Operations

[1950 C. C. C. Grain Price Support Bulletin 1, Supp. 1, Amdt. 1, Corn]

PART 601—GRAINS AND RELATED COMMODITIES

SUBPART—1950 PRICE SUPPORT PROGRAMS FOR GRAINS AND RELATED COMMODITIES

The regulations issued by Commodity Credit Corporation and the Production and Marketing Administration, published in 15 F. R. 6878, governing the making of loans and containing the requirements of the purchase agreement program on corn produced in 1950 are hereby amended as follows:

1. In § 601.118 *Support rates*, the introductory text of paragraph (a) *Basic rates*, is amended to read as follows:

(a) *Basic support rates.* Basic support rates per bushel of eligible corn grading No. 3, or No. 4 on the factor of test weight only but otherwise grading No. 3 or better, are as follows for the respective States and counties: *Provided*, That in the case of corn produced in the commercial corn-producing area and placed under loan outside the commercial corn-producing area, or vice versa, the basic support rate for the county where the corn was produced shall apply.

* * * * *

2. In § 601.119 *Settlement*, paragraphs (a) (1) *Settlement at basic rate*, and (b) (1) *Basic rate*, are amended to read as follows:

(a) *Loans*—(1) *Settlement at basic rate.* Settlement on corn delivered to CCC under farm-storage loans, grading No. 3, or No. 4 on the factor of test weight only, but otherwise grading No. 3 or better shall be made at the support rate for the approved point of delivery: *Provided*, That in the case of corn produced in the commercial corn-producing area and delivered outside the commercial corn-producing area, or vice versa, the support rate established for the county where the corn was produced shall apply. In the case of farm-storage loans, and warehouse-storage loans where the corn is stored "identity preserved," the support rate will be for the grade and quality of the total quantity of corn delivered.

* * * * *

(b) *Purchase agreements*—(1) *Basic rate.* The purchase rate per bushel of eligible corn will be the applicable support rate established for the approved point of delivery: *Provided*, That in the case of corn produced in the commercial corn-producing area and delivered outside the commercial corn-producing area, or vice versa, the support rate established for the county where the corn was produced shall apply. Corn delivered to CCC under a purchase agreement must meet the requirements of corn eligible for loan.

* * * * *

(Sec. 4, 62 Stat. 1070, as amended; 15 U. S. C. Sup., 714b. Interpret or apply sec. 5, 62 Stat. 1072, secs. 101, 401, 63 Stat. 1051; 15 U. S. C. Sup., 714c, 7 U. S. C. Sup., 1441, 1521)

Issued this 20th day of October 1950.

[SEAL] ELMER F. KRUSE,
Vice President,
Commodity Credit Corporation.

Approved:

RALPH S. TRIGG,
President,
Commodity Credit Corporation.

[F. R. Doc. 50-9468; Filed, Oct. 25, 1950; 8:49 a. m.]

[1950 C. C. C. Cottonseed Bulletin 1]

PART 643—OILSEEDS

SUBPART—1950 COTTONSEED LOAN AND PURCHASE AGREEMENT PROGRAM

This bulletin states the requirements with respect to loans and purchase agreements under the 1950 Cottonseed Price Support Program formulated by Commodity Credit Corporation (hereinafter referred to as CCC) and the Production and Marketing Administration (hereinafter referred to as PMA). The requirements with respect to purchases of cottonseed, other than under purchase agreements, are contained in the 1950 C. C. C. Cottonseed Bulletin 2. The program will be carried out by PMA under the general supervision and direction of the President, CCC.

SEC.

AUTHORITY: §§ 643.375 to 643.399 issued under sec. 4, 62 Stat. 1070, as amended; 15 U. S. C. Sup., 714b. Interpret or apply secs. 4, 5, 62 Stat. 1070, 1072, secs. 301, 401, 63 Stat. 1051, 1054; 15 U. S. C. Sup., 714b, 714c, 7 U. S. C. Sup., 1447, 1421.

§ 643.375 *Administration.* (a) In the field, the program will be administered through PMA State and county committees (hereinafter referred to as State and county committees) and PMA commodity offices. Forms will be distributed through the offices of State and county committees. County committees will determine or cause to be determined the quantity and grade of the cottonseed, the amount of the loan, or purchase price, and the value of the cottonseed delivered under a loan or purchase agreement. All loan and purchase agreement documents will be completed and approved by the county committee, which will retain copies of all such documents. The county committee may designate in writing certain employees of the county PMA office to execute on behalf of the committee any forms and documents in connection with this program.

§ 643.376 *Availability of loans and purchase agreements*—(a) *Area.* Loans shall be available on eligible cottonseed stored in approved warehouses or in approved farm storage in all cotton producing areas in the continental United States, except that farm-storage loans will not be made in any area where the appropriate State PMA committee determines that the damage hazard to farm-storage cottonseed would not warrant the making of farm-storage loans. Purchase agreements will be available on eligible cottonseed in all areas.

(b) *Time.* Loans and purchase agreements shall be available through January 31, 1951. Purchase agreements, notes and chattel mortgages, and note and loan agreements must be signed by the producer and delivered to the county committee on or before such date.

(c) *Source.* Loans and purchase agreements will be made available through the offices of county committees. Disbursements on loans will be made to producers through approved lending agencies under agreements with CCC, or by means of sight drafts drawn

on CCC by State committees or by county committees in accordance with instructions issued by PMA to the State committees. Disbursements on loans will be made not later than February 15, 1951, except where specifically approved by the appropriate PMA commodity office in each instance.

§ 643.377 *Approved lending agencies.* An approved lending agency shall be any bank, cooperative marketing association, corporation, partnership, individual, or other legal entity with which CCC has entered into a lending agency agreement (Form PMA–97 or other form prescribed by CCC) or loan servicing agreement.

§ 643.378 *Eligible producer.* An eligible producer shall be any individual, partnership, corporation, association, trust, estate, or other legal entity, or a State or political subdivision thereof or an agency of such State or political subdivision, producing cottonseed in 1950 in the capacity of landowner, landlord, tenant, or sharecropper.

Eligible producers who are members of cooperative marketing associations may act collectively through their associations in obtaining loans in accordance with the provisions of § 643.397.

§ 643.379 *Eligible cottonseed.* Eligible cottonseed shall be cottonseed that meet the following requirements:

(a) The cottonseed must have been produced in the continental United States in 1950 by an eligible producer.

(b) Such cottonseed must have been produced by the producer tendering them for a loan, or, in the case of a cooperative association, must have been produced, and delivered to the association, by its producer-members; and such producer must have the legal right to pledge or mortgage the cottonseed as security for a loan. If the producer tendering such cottonseed for a loan is a landlord or landowner, the cottonseed must not have been acquired by him directly or indirectly from a tenant or sharecropper and must not have been received in payment of fixed or standing rent; and if they were produced by him in the capacity of landlord, tenant or sharecropper, they must be his separate share of the crop, unless he is a landlord and is tendering cottonseed in which both he and a tenant or sharecropper have an interest.

(c) Cottonseed must be sound and clean and, in the case of cottonseed in farm storage or stored in an approved warehouse on an identity-preserved basis, must not contain more than 11 percent moisture. The moisture limitation of 11 percent shall not apply to cottonseed delivered under purchase agreement or to commingled cottonseed under loan and covered by warehouse receipts under which an approved warehouseman guarantees the official grade and weight.

(d) No warehouse receipts shall be outstanding on cottonseed in farm storage.

§ 643.380 *Approved storage* — (a) *Warehouse storage.* Cottonseed stored in warehouses will be accepted as security for loans hereunder only if such warehouses are approved by CCC. Warehousemen desiring approval of their facilities for the storage of cottonseed should communicate with the PMA commodity office shown in § 643.399 serving the area in which the warehouse is located.

(b) *Farm storage.* Approved farm storage shall consist of storage structures located on or off the farm which, as determined by the county committee, are of such construction as to afford safe storage of cottonseed and afford protection against weather damage, poultry, livestock and rodents, and reasonable protection against fire and theft.

§ 643.381 *Approved forms.* The documents named below, together with the provisions of this subpart and any supplements or amendments thereto, govern the rights and responsibilities of the producers under this program. Loan and purchase agreement documents executed by an administrator, executor or trustee will be acceptable only where valid in law and must be accompanied by documentary evidence of the authority of the person executing such documents. Documents must have State and documentary revenue stamps affixed when required by law.

(a) *Loan documents.* The following documents must be delivered by the producer in support of every loan:

(1) *Warehouse-storage loans.* Producer's Note and Loan Agreement (Commodity Loan Form B) duly executed and delivered within the period prescribed in § 643.376, secured by the pledge of warehouse receipts complying with the provisions of § 643.398.

(2) *Farm-storage loans.* Producer's Note (Commodity Loan Form A) and Commodity Chattel Mortgage (Commodity Loan Form AA) covering the cottonseed tendered as security for the loan, both executed and delivered within the period prescribed in § 643.376.

(b) *Purchase agreement documents.* The purchase agreement documents shall consist of the Purchase Agreement (Commodity Purchase Form 1) and Purchase Agreement Settlement (Commodity Purchase Form 4) signed by the producer and approved by the county committee, negotiable warehouse receipts, and such other forms as may be prescribed by CCC.

§ 643.382 *Determination of quantity*—(a) *Warehouse-storage loans.* Warehouse receipts shall be based upon net weights, after any deduction for foreign matter in excess of 1% of the gross weight and for estimated shrinkage. The total deduction for shrinkage shall not exceed 3 percent of the gross weight of the cottonseed.

(b) *Farm-storage loans.* The quantity of cottonseed at the time a farm-storage loan is made shall be determined by actual weight or by an estimate of tonnage based upon measurements. When the weight of cottonseed to be placed under loan is estimated by measurement, 90 cubic feet of cottonseed shall be considered the equivalent of one ton. The quantity delivered in liquidation of the loan shall be the net weight, which shall be the gross weight of the cottonseed less a deduction for any foreign matter in excess of 1 percent of the gross weight.

(c) *Purchase agreements.* The quantity of cottonseed delivered under a purchase agreement shall be the net weight, which shall be the gross weight of the cottonseed less a deduction for any foreign matter in excess of 1 percent of the gross weight; or, when warehouse receipts guaranteeing grade and weight are submitted, the quantity delivered shall be the net weight shown in such warehouse receipts.

§ 643.383 *Liens.* The cottonseed must be free and clear of all liens and encumbrances, including any claim the ginner may have against the cottonseed for his regular ginning charge. If liens, ginner's claims, or encumbrances exist on the cottonseed, proper waivers must be obtained.

§ 643.384 *Service charges*—(a) *Warehouse-storage loans.* The producer shall pay a service charge of 20 cents per ton of cottonseed pledged to secure a loan, or $1.50, whichever is greater.

(b) *Farm-storage loans.* The producer shall pay a service charge of 35 cents per ton on the number of tons placed under a farm-storage loan, or $3.00, whichever is greater. In the case of farm-storage loans, State committees are authorized to require prepayment of $3.00 of the service charges.

(c) *Purchase agreements.* At the time the producer signs a purchase agreement, he shall pay a service charge of 20 cents per ton on the quantity of cottonseed specified on Commodity Purchase Form 1 as the maximum quantity that may be delivered or $1.50, whichever is greater.

No refund of service charges will be made.

§ 643.385 *Set-offs.* If the producer is indebted to CCC on any accrued obligation, or if any installments past due or maturing within twelve months are unpaid on any loan made available by CCC on farm-storage facilities, whether held by CCC or a lending agency, the producer must designate CCC or such lending agency as the payee of the proceeds of the loan or purchase to the extent of such indebtedness or installments, but not to exceed that portion of the proceeds remaining after deduction of loan service fees and amounts due prior lienholders.

If the producer is indebted to any other agency of the United States, and such indebtedness is listed on the county debt register, he must designate such agency as the payee of the proceeds as provided above.

Indebtedness owing to CCC or to a lending agency as provided above shall be given first consideration after claims of prior lienholders.

Compliance with the provisions of this section shall not constitute a waiver of any right of the producer to contest the justness of the indebtedness involved either by administrative appeal or by legal action.

§ 643.386 *Interest rate.* Loans shall bear interest at the rate of 3 percent per annum, and interest shall accrue from the date of disbursement of the loan notwithstanding the printed provisions of the note.

§ 643.387 *Transfer of producer's equity.* The right of the producer to transfer either his right to redeem the cottonseed under loan or his remaining interest may be restricted by CCC. The producer may not assign his interest in the purchase agreement.

§ 643.388 *Safeguarding of the cottonseed.* The producer who places cottonseed under a farm-storage loan is obligated to maintain the farm-storage structures in good repair, and to keep the cottonseed in good condition.

§ 643.389 *Insurance.* CCC will not require the producer to insure the cottonseed placed under a farm-storage loan; however, if the producer does insure such cottonseed, the insurance shall inure to the benefit of CCC to the extent of its interest after first satisfying the producer's equity in the cottonseed involved in the loss.

All commingled cottonseed covered by warehouse receipts shall be insured by the warehouseman, for the benefit of the holders of the receipts, against loss or damage by fire, lightning, inherent explosion, windstorm, cyclone and tornado, for the full market value of the cottonseed. The warehouseman shall not be required to carry insurance covering identity-preserved cottonseed; however, any such insurance carried by the warehouseman or the producer shall inure to the benefit of CCC to the extent of its interest, after first satisfying the producer's equity in the cottonseed involved in the loss.

§ 643.390 *Loss or damage to the cottonseed*—(a) *Warehouse-storage loans.* The producer shall be responsible for the quality and for any loss in quantity of all identity-preserved cottonseed covered by warehouse receipts, except that any uninsured physical loss or damage resulting solely from an external cause other than insect infestation or vermin will be assumed by CCC, to the extent of the loan indebtedness, provided there has been no fraudulent representation made by the producer in the loan documents or in obtaining the loan. Nothing contained herein shall be construed as a waiver of CCC's or the producer's right to proceed against the warehouseman in case such loss or damage results from the warehouseman's fault or negligence.

(b) *Farm-storage loans.* The producer shall be responsible for any loss in quantity and for the quality of the cottonseed placed under a farm-storage loan, except that any uninsured physical loss or damage occurring without fault, negligence, or conversion on the part of the producer or any other person having control of the storage structure, resulting solely from an external cause other than insect infestation or vermin will be assumed by CCC, provided the producer has given the county committee immediate notice in writing of such loss or damage, and provided there has been no fraudulent representation made by the producer in the loan documents or in obtaining the loan.

§ 643.391 *Personal liability.* The making of any fraudulent representations by the producer in the loan or purchase agreement documents, or in obtaining the loan or purchase proceeds, or the conversion or unlawful disposition by him of any portion of the cottonseed under loan, shall render the producer subject to criminal prosecution under Federal law and render him personally liable for the amount of the loan and for any resulting expense incurred by any holder of the note, or for any damages resulting from the purchase of the cottonseed.

§ 643.392 *Maturity and liquidation of loans.* Notwithstanding any provisions in the mortgage supplement or in the note and loan agreement, settlement of loans, and delivery of the cottonseed covered by chattel mortgage and pledged under note and loan agreements shall be made in accordance with this section. All loans mature on demand but not later than March 1, 1951. If the producer does not repay his loan on or before maturity, the following procedure will be observed:

(a) *Farm-storage loans.* The producer shall deliver the mortgaged cottonseed in accordance with instructions of the county committee. In the event the farm is sold or there is a change of tenancy, the cottonseed may be delivered before the maturity date of the loan, upon prior approval by the county committee. After a complete grade determination by a cottonseed chemist licensed by the U. S. Department of Agriculture, credit will be given at the applicable settlement rate, according to grade and/or quality (see § 643.396), for the total quantity delivered, provided it is the identical cottonseed on which the loan was made. In the case of "off quality" and "below grade" cottonseed, as defined in the United States Official Standards for Grades of Cottonseed, CCC will sell such cottonseed, pursuant to the provisions of the chattel mortgage (Commodity Loan Form AA), at the current market price, and the settlement value shall be the market price determined on the basis of such sale.

If the producer, upon prior approval of the county committee, transports the cottonseed a greater distance than the distance from the point of storage to the normal delivery point, the producer may, at time of settlement, be credited for transporting the cottonseed the additional distance at a rate per mile not in excess of the commercial transportation rate for the area.

If the settlement value of the cottonseed delivered under a farm-storage loan exceeds the amount due on the loan by more than $3.00, such amount will be paid to the producer on the basis of the settlement documents. To void administrative costs of making small payments, if the amount found due the producer in such settlement is $3.00 or less, such amount will be paid only upon his request. Payments will be made by sight draft drawn on CCC by the State PMA office.

If the settlement value of the cottonseed is less than the amount due on the loan, the amount of the deficiency, plus interest, shall be paid to CCC or the amount may be set off against any payment which would otherwise be due to the producer under any agricultural programs administered by the Secretary of Agriculture or any other payments which are due or may become due to the producer from CCC or any other agency of the United States, provided that, to avoid administrative costs of handling small accounts, a deficiency of $3.00 or less, including interest, shall be disregarded unless demand therefor is made by CCC upon the producer.

If the loan is not liquidated upon maturity by payment or delivery, the holder of the note may remove the cottonseed and sell them in accordance with the provisions of the chattel mortgage (Commodity Loan Form AA).

(b) *Warehouse-storage loans.* The procedure with respect to cottonseed stored on an identity-preserved basis shall be the same as that for farm-stored cottonseed except that the warehouse shall be considered the delivery point. The producer shall not be responsible for the quantity or quality of cottonseed stored by a warehouseman on a commingled basis and covered by receipts under which the warehouseman agrees to deliver the quantity and grade shown in the receipts. If the producer does not repay his warehause-storage loan on or before maturity, CCC shall have the right to sell the cottonseed in liquidation of the loan in accordance with the provisions of the note and loan agreement (Commodity Loan Form B).

Any payment due a producer at time of settlement on a loan secured by warehouse receipts covering commingled cottonseed shall be made by the appropriate PMA commodity office.

§ 643.393 *Delivery and settlement under purchase agreements.* The producer who signs a purchase agreement (Commodity Purchase Form 1) will not be obligated to deliver any cottonseed to CCC; however, the quantity which he states in the purchase agreement will be the maximum quantity he may deliver to CCC. If the producer who signs the purchase agreement wishes to sell cottonseed to CCC, he will have a 30-day period during which he must notify the county committee of his intention to sell. This period will end on March 1, 1951, or on such earlier date as may be determined by the President, CCC.

In the case of eligible cottonseed stored in an approved warehouse, the producer must, not later than the day following the final date of such 30-day period or during such period of time thereafter as may be specified by CCC, submit to the county committee warehouse receipts for any quantity of cottonseed that he elects to sell to CCC which is not in excess of the quantity shown on Commodity Purchase Form 1. If the warehouseman guarantees grade and quantity under such warehouse receipts, settlement will be made upon the basis of the grade and quantity shown in the receipts. If the warehouse receipts indicate that the cottonseed are identity-preserved, settlement will be made on the basis of weight, and the official grade as determined by chemical analysis, at the time of delivery to CCC.

In the case of eligible cottonseed stored in other than approved warehouse storage, the county committee will on or after March 2, 1951, issue delivery instructions to the producer. The producer must then complete delivery at points designated by the county com-

mittee within a 15-day period immediately following the date the county committee issues delivery instructions unless the county committee determines more time is needed for delivery. The quantity of cottonseed delivered must not be in excess of the quantity shown on Commodity Purchase Form 1. The cottonseed will be purchased on the basis of weight, and the official grade as determined by chemical analysis, at the time of delivery.

When delivery is completed, payment will be made by sight draft drawn on CCC by the State PMA office on the basis of Commodity Purchase Form 4. The producer shall direct on such form to whom payment of the proceeds shall be made. "Below grade" and "off quality" cottonseed as defined in the United States Official Standards for Grades of Cottonseed will not be purchased under the purchase agreement program.

§ 643.394 *Release of the cottonseed under loan.* A producer may at any time obtain the release of cottonseed remaining under loan by paying to the holder of the note the principal amount thereof, plus accrued interest and any charges that may be due. If the note is held by an out-of-town lending agency or by CCC, the producer may request that the note be forwarded to a local lending agency or to the county committee for collection. All charges in connection with the collection of the note shall be paid by the producer. Upon payment of a farm-storage loan, the county committee should be requested to release the mortgage by filing an instrument of release or by executing a marginal release on the county records. Partial release of the cottonseed prior to maturity of the loan may be arranged with the county committee by paying to the holder of the note the amount of the loan, plus charges and accrued interest, represented by the quantity of the cottonseed to be released: *Provided, however,* No partial release of farm-stored cottonseed shall include less than the total quantity of cottonseed stored in any single commingled mass unless the appropriate State committee determines that releases of portions of such masses should be made, and no partial release of warehouse-stored cottonseed shall include less than the total quantity of cottonseed covered by any warehouse receipt involved in the release.

§ 643.395 *Purchase of notes.* CCC will purchase, from approved lending agencies, notes evidencing approved loans which are secured by chattel mortgages or negotiable warehouse receipts. The purchase price to be paid by CCC will be the principal sum remaining due on such notes, plus accrued interest from the date of disbursement to the date of purchase at the rate of 1½ percent per annum. Lending agencies are required to submit Commodity Credit Corporation Form 500, or such other form as CCC may prescribe, covering all payments received on producers' notes held by them, and are required to remit to CCC an amount equal to 1½ percent per annum of the amount of the principal collected from the date of disbursement to the date of payment. Lending agencies should submit notes and reports to the PMA commodity office serving the area.

§ 643.396 *Loan and settlement rates*—(a) *Loan rates.* Loans on farm-stored cottonseed, and on cottonseed stored in warehouses on an identity-preserved basis and represented by warehouse receipts in which the grade is not guaranteed, shall be made at the rate of $50.00 per ton of eligible cottonseed as defined in § 643.379. Loans on cottonseed represented by warehouse receipts in which the grade is guaranteed by the warehouseman shall be made at the settlement rates indicated in paragraph (b) of this section.

(b) *Basic settlement rate.* The basic settlement rate for "basis grade" (100) cottonseed in farm storage, stored in a warehouse, or delivered under a purchase agreement shall be $51.00 per net ton, f. o. b. railroad cars or trucks at delivery points or delivered in an approved warehouse. The settlement rate for cottonseed grading above or below "basis grade" (100) shall be $51.00 per ton plus or minus a percentage of such price equal to the percentage by which the grade of such cottonseed is above or below 100.

(c) *Warehouse charges.* In the case of cottonseed under a warehouse-storage loan which are not redeemed by the producer, or cottonseed delivered to CCC in an approved warehouse under a purchase agreement, CCC will not assume any warehouse charges accruing prior to March 2, 1951, except as provided in the Cottonseed Storage Agreement (CCC Form 506). Any such charges paid by CCC shall be credited against any charges for the same services made to the producer who deposited the cottonseed in the warehouse and shall accrue to any subsequent holder of the warehouse receipts.

§ 643.397 *Cooperative marketing associations.* (a) Cooperative marketing associations shall be eligible for loans and purchase agreements: *Provided*, That (1) The cottonseed placed under loan and purchase agreements are delivered to the association by eligible producers who are members of the association; (2) the association has been granted by such producer-members the legal right to sell the cottonseed or to pledge or mortgage them as security for a loan, either when stored on an identity-preserved basis or when commingled with other cottonseed; (3) the association keeps any cottonseed covered by a chattel mortgage segregated from all cottonseed not covered by the mortgage; and (4) the association pays to CCC any amounts due it under the provisions of this program at the time of settlement.

(b) Cooperative associations desiring loans or wishing to execute purchase agreements may obtain documents from the county committee for the county in which the association is located. The loan and settlement rates to cooperative associations will be the same as those to individual producers, and loans to such associations will otherwise be made on substantially the same basis as loans to individual producers.

§ 643.398 *Warehouse receipts.* Cottonseed stored in an approved warehouse must be represented by negotiable warehouse receipts, properly endorsed if not in bearer form, meeting the requirements of CCC. Receipts covering identity-preserved cottonseed shall show the condition, weight and moisture content of the cottonseed. Receipts covering commingled cottonseed shall show the net weight of the cottonseed and the grade of such cottonseed expressed in accordance with the U. S. Official Standards for Grades of Cottonseed. The warehouseman shall be responsible for the delivery of the grade and quantity shown in receipts covering commingled cottonseed. Each receipt shall indicate by endorsement or otherwise that all warehouse charges through March 1, 1951, have been paid. Each receipt covering commingled cottonseed shall show that the warehouseman has provided insurance for the benefit of the holder of the receipt to the extent set out in § 643.389.

§ 643.399 *PMA Commodity offices.* The PMA Commodity offices and the cotton growing area served by each are shown below:

449 West Peachtree Street NE., Atlanta 3, Ga.: Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, Virginia.

1114 Commerce Street, Dallas 2, Tex.: Arkansas, Illinois, Kansas, Louisiana, Missouri, New Mexico, Oklahoma, Texas.

335 Fell Street, San Francisco 2, Calif.: Arizona, California, and Nevada.

Issued this 20th day of October 1950.

[SEAL] JOHN H. DEAN,
Acting Vice President,
Commodity Credit Corporation.

Approved:

RALPH S. TRIGG,
President, Commodity Credit Corporation.

[F. R. Doc. 50-9467; Filed, Oct. 25, 1950; 8:49 a. m.]

[1950 C. C. C. Cottonseed Bulletin 2]

PART 643—OILSEEDS

SUBPART—1950 COTTONSEED PURCHASE PROGRAM

SEC.

AUTHORITY: §§ 643.411 to 643.422 issued under sec. 4, 62 Stat. 1070, as amended; 15 U. S. C. Sup., 714b. Interpret or apply secs. 4, 5, 62 Stat. 1070, 1072, secs. 301, 401, 63 Stat. 1051, 1054; 15 U. S. C. Sup., 714b, 714c, 7 U. S. C. Sup., 1447, 1421.

§ 643.411 *General statement.* As a part of the 1950 Cottonseed Price Support Program formulated by Commodity Credit Corporation (hereinafter referred to as CCC) and the Production and

Marketing Administration (hereinafter referred to as PMA), CCC offers to purchase from cotton ginners, and from producers in cases where nonparticipation by ginners makes purchases directly from producers necessary, cottonseed of the 1950 crop upon the terms and conditions stated herein. The program will be carried out by PMA under the general supervision and direction of the President, CCC. The requirements with respect to loans and purchase agreements are contained in the 1950 C. C. C. Cottonseed Bulletin 1.

§ 643.412 *Administration.* Operations under the program with respect to the purchase, transportation, handling, and storage of cottonseed prior to delivery of the cottonseed to an oil mill or storage facility approved by the appropriate PMA commodity office will be administered in each State by the State PMA chairman, who may redelegate his authority to members or employees of the State PMA committee or of the PMA county committees, and documents in connection with such operations will be executed on behalf of CCC by the State PMA chairman or his designated representatives. Documents relating to the storage and handling of cottonseed subsequent to delivery of the cottonseed to such an approved oil mill or storage facility, for the sale, crushing and processing of cottonseed, and for the transportation, storage, handling and sale of the products derived therefrom, will be executed by CCC contracting officers in the appropriate PMA commodity offices.

§ 643.413 *Availability of purchases*—(a) *Area.* The purchase program will be available in all cotton-producing States.

(b) *Time.* Purchases will be made from the date of issuance of this bulletin through January 31, 1951.

(c) *Source.* Purchases of eligible cottonseed will be made from cotton ginners who file with the appropriate PMA county committees notice of their intention to participate in the program and who execute and deliver required certificates evidencing compliance with the terms of this bulletin. Payments to cotton ginners for cottonseed purchased will be made by means of sight drafts drawn on CCC by PMA State or county committees or will be made for the account of CCC by cottonseed oil millers who receive the cottonseed for the account of CCC from the ginners.

Purchases will also be made directly from producers by State PMA chairmen or their designated representatives in cases where ginners do not participate in the program and the appropriate State PMA chairman determines that such direct purchases are necessary in order to make the program effective. Payments to producers for cottonseed so purchased, and for any authorized transportation performed by producers in accordance with § 643.416, will be made by means of sight drafts drawn on CCC by PMA State or county committees.

§ 643.414 *Eligible producer.* An eligible producer shall be any individual, partnership, corporation, association, trust, estate, or other legal entity, or a State or political subdivision thereof or an agency of such State or political subdivision, producing cottonseed in 1950 in the capacity of landowner, landlord, tenant, or sharecropper.

A cooperative association that handles cottonseed for its producer-members will be considered an eligible producer when selling eligible cottonseed delivered to the association and produced by eligible producers who are members of the association.

§ 643.415 *Eligible cottonseed.* Eligible cottonseed shall be cottonseed which meet the following requirements:

(a) Cottonseed must have been produced in the continental United States in 1950 by an eligible producer.

(b) Except in the case of cooperative associations or ginners, such cottonseed must have been produced by the person tendering them for purchase. Any person tendering cottonseed for purchase must have the right to sell the cottonseed. If the person tendering such cottonseed for purchase is a landlord or landowner, the cottonseed must not have been acquired by him directly or indirectly from a tenant or sharecropper and must not have been received in payment of fixed or standing rent; and if the cottonseed were produced by him in the capacity of landlord, tenant or sharecropper, they must be his separate share of the crop, unless he is a landlord and is tendering cottonseed in which both he and a tenant or sharecropper have an interest. Cottonseed tendered by a cooperative association for purchase must have been produced and delivered to the association by eligible producers who are members of the association. Each ginner tendering cottonseed for purchase will be required to certify that the cottonseed were purchased by the ginner from eligible producers on or after the date on which the ginner files notice of his intention to participate in the program.

§ 643.416 *Purchase price*—(a) *Price to ginners.* Eligible cottonseed will be purchased from ginners at the rate of $51.00 per net ton for basis grade (100), f. o. b. gin, with premiums and discounts for other grades equal to the same percentage of such price as the percentage by which the grade of cottonseed purchased exceeds or is less than basis grade (100). The grades of cottonseed purchased from ginners shall be determined in accordance with the United States Official Standards for Grades of Cottonseed, by chemical analysis of samples drawn from the cottonseed by federally licensed cottonseed samplers and forwarded to federally licensed cottonseed chemists. A ginner tendering cottonseed for purchase by or for the account of CCC must not have paid any producer, for cottonseed purchased by the ginner on or after the date of filing notice of his intention to participate in the program, less than $47.00 per gross ton basis grade (100), plus or minus a percentage of such price equal to the percentage by which the average grade of cottonseed for the area in which the gin is located (see § 643.421), as reflected by the latest PMA grade report at the time of purchase from such producer, exceeded or was less than basis grade (100). Notwithstanding the requirement in the preceding sentence, a ginner, after first notifying the PMA county committee for the county where the gin is located of his intention to do so, may reduce the price paid to producers below the price established on the basis of the average grade for the area, provided that the ginner shall not pay any producer, during the period he is paying such a reduced price, less than $47.00 per gross ton basis grade (100) with price adjustments computed upon the difference between the average grade of cottonseed produced at the gin during such period and basis grade (100). The average grade of cottonseed produced at the gin during such period shall be determined on the basis of official chemical analyses or oil mill grade reports covering such cottonseed or on such other reasonable basis as may be approved by the PMA county committee. The ginner shall furnish the PMA county committee with certified copies of such chemical analyses, grade reports, or other evidence satisfactory to the PMA county committee, showing the average grade of cottonseed produced at the gin during such period. If it is determined by the PMA State or county committee that any ginner paid producers less than the prices he should have paid in accordance with this paragraph, such ginner shall be ineligible to make any further sales to CCC unless he first pays all of such producers the difference between the price the producers received and the price they should have received. The grade of cottonseed purchased from a producer before the first grade report for an area is published shall be considered to be 97.5. A ginner may round per ton prices for cottonseed purchased from producers to the nearest multiple of 50 cents.

(b) *Price to producers.* Any direct purchases from producers will be made at a gin or other designated point of delivery at the rate of $47.00 per gross ton for basis grade (100), with premiums and discounts for other grades equal to the same percentage of such price as the percentage by which the grade of cottonseed purchased exceeds or is less than basis grade (100). The per ton price thus computed may be rounded to the nearest multiple of 50 cents. The grade of eligible cottonseed purchased directly from producers shall be considered to be the average grade of cottonseed for the area in which the purchase is made (see § 643.421) as reflected by the latest cottonseed grade report published by PMA. The grade of cottonseed so purchased before the first grade report for an area is published shall be considered to be 97.5.

If the producer, upon authorization by the State PMA chairman or his designated representative, transports the cottonseed from the point of delivery to CCC to an approved oil mill or storage facility or designated concentration point, the producer will be paid for such transportation at a rate not in excess of the commercial rate for such transportation service.

§ 643.417 *Approved forms.* The approved forms, together with the provi-

sions of this bulletin and any supplements and amendments thereto shall govern the rights and responsibilities of producers and cotton ginners participating in the program. Any fraudulent representation made by a producer or ginner in executing an approved form may render him subject to criminal prosecution under Federal law and liable for any damages resulting from the purchase of the cottonseed involved. Documents executed by an administrator, executor or trustee will be acceptable only where valid in law and must be accompanied by documentary evidence of the authority of the person executing such documents. The approved forms consist of the following:

(a) *Producers.* Producer's Voucher (Cottonseed Purchase Form 5) shall be executed by the producer when the cottonseed are purchased directly from the producer by the State PMA chairman or his designated representative.

(b) *Cotton ginners.* Each cotton ginner desiring to sell cottonseed to CCC pursuant to this bulletin shall, prior to tender of any cottonseed for sale, file with the PMA county committee for the county in which each gin is located a Ginner's Notice of Intention To Participate (Cottonseed Purchase Form 1). The filing of such notice does not obligate the ginner to sell any cottonseed to CCC, but all applicable provisions of this bulletin must be complied with by the ginner if any cottonseed are offered by the ginner for sale to CCC.

A Ginner's Certificate (Cottonseed Purchase Form 2) shall be completed and executed by the ginner to cover all cottonseed purchased from him by oil millers for the account of CCC and the form shall be submitted by the ginner to the oil miller. If payment for the cottonseed is to be made by sight draft drawn on CCC, the ginner shall prepare and execute a Ginner's Voucher and Certificate (Cottonseed Purchase Form 4) covering the cottonseed and deliver the form to the PMA State chairman or his designated representative. Each Ginner's Voucher and Certificate submitted by a ginner to the State chairman or his designated representative shall be supported by weight certificates or warehouse receipts covering the cottonseed purchased which have been issued by a cottonseed warehouseman or oil miller approved by CCC, and, in the absence of warehouse receipts guaranteeing grade, by official chemical analysis certificates covering the cottonseed and identifying such cottonseed by lot numbers and/or receipt numbers and weights.

§ 643.418 *Determination of quantity.* The quantity of cottonseed purchased from the ginner shall be the net weight of the cottonseed at first destination, after deduction of the weight of all foreign matter in excess of 1 percent. The quantity of cottonseed purchased directly from a producer shall be the gross weight actually delivered to CCC as determined by the appropriate State PMA chairman or his designated representative, or by a cottonseed warehouseman or oil miller approved by the appropriate PMA commodity office.

§ 643.419 *Liens.* If liens or encumbrances exist on the cottonseed, proper waivers must be obtained.

§ 643.420 *Oil mills.* CCC will enter into agreements with oil millers under which cottonseed purchased by CCC will be processed by the millers for the account of CCC or sold to the millers upon condition that CCC will purchase certain end products. Oil millers desiring to enter into such agreements should communicate with the appropriate PMA commodity office shown in § 643.422.

§ 643.421 *Grade reporting areas.* Areas for grade reporting purposes will be established by the Director, Cotton Branch, PMA, and a list of area delineations may be obtained from the area offices of the Cotton Branch at Atlanta, Georgia; Memphis, Tennessee; Dallas, Texas; and Bakersfield, California.

§ 643.422 *PMA Commodity offices.* The PMA Commodity offices and the cotton growing area served by each are shown below:

449 West Peachtree Street, NE., Atlanta 3, Ga.: Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, Virginia.

1114 Commerce Street, Dallas 2, Tex.: Arkansas, Illinois, Kansas, Louisiana, Missouri, New Mexico, Oklahoma, Texas.

335 Fell Street, San Francisco 3, Calif.: Arizona, California, and Nevada.

Issued this 20th day of October 1950.

[SEAL] JOHN H. DEAN,
Acting Vice President,
Commodity Credit Corporation.

Approved:

RALPH S. TRIGG,
President,
Commodity Credit Corporation.

[F. R. Doc. 50-9469; Filed, Oct. 25, 1950; 8:49 a. m.]

TITLE 7—AGRICULTURE

Chapter IX—Production and Marketing Administration (Marketing Agreements and Orders), Department of Agriculture

PART 907—MILK IN THE MILWAUKEE, WISCONSIN, MARKETING AREA

ORDER REGULATING HANDLING

Sec.

AUTHORITY: §§ 907.0 to 907.111 issued under sec. 5, 49 Stat. 753, as amended; 7 U. S. C. and Sup., 608c.

§ 907.0 *Findings and determinations—(a) Findings upon the basis of the hearing record.* Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure, as amended, governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held February 6-13, 1950, at Milwaukee, Wisconsin, upon a proposed marketing agreement and a proposed order, regulating the handling of milk in the Milwaukee, Wisconsin, marketing

area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that;

(1) The said order, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the act;

(2) The parity prices of milk as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, available supplies of feeds and other economic conditions which affect market supply and demand for milk in the said marketing area, and the minimum prices specified in the order are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk and be in the public interest; and

(3) The said order regulates the handling of milk in the same manner as and is applicable only to persons in the respective classes of industrial and commercial activity specified in a marketing agreement upon which a hearing has been held.

(4) All milk and milk products, handled by handlers, as defined herein, are in the current of interstate commerce or directly burden, obstruct, or affect interstate commerce in milk or its products.

(5) It is hereby found that the necessary expenses of the market administrator for the maintenance and functioning of such agency will require the payment by each handler, as his pro rata share of such expenses, 3 cents per hundredweight or such amount not exceeding 3 cents per hundredweight as the Secretary may prescribe, with respect to all (a) producer milk (including such handler's own production) received during the month and (b) other source milk classified as Class I milk or Class II milk during the month.

(6) *Effective date.* It is necessary in the public interest to make the several provisions of this order effective as hereinafter set forth. The need for the order is disclosed by the decision (15 F. R. 6593) which was executed on September 27, 1950. The provisions of the order are well known to handlers since the public hearing was held February 6–13, 1950; the recommended decision was published in the FEDERAL REGISTER (15 F. R. 3829) on June 16, 1950; and the final decision (15 F. R. 6598) was executed by the Secretary on September 27, 1950. Handlers have requested in view of the fact that this order will constitute the original imposition of a regulatory program of this nature for the market that the provisions other than those relating to prices and payments to producers be put into effect prior to the effective date of the provisions relating to prices and payments to producers, in order that they may make necessary adjustments in their accounting and other operative procedures to conform with all provisions of the order. Therefore, reasonable times have been permitted, under the circumstances, for preparation for the effective dates specified. It is hereby found and determined, in view of the aforementioned facts and circumstances, that good reason exists for making §§ 907.1 through 907.18, 907.20 through 907.22, 907.30 through 907.34, 907.40 through 907.47, 907.82, 907.100 through 907.103, 907.110, and 907.111 effective November 1, 1950, and §§ 907.50, 907.51, 907.60, 907.61, 907.70 through 907.72, 907.80, 907.81, 907.83, 907.84, 907.85, 907.90, and 907.91 effective on December 1, 1950; and that it would be contrary to the public interest to delay such effective dates to dates later than those specified.

(b) *Determinations.* It is hereby determined that handlers (excluding cooperative associations of producers who are not engaged in processing, distributing or shipping milk covered by this order which is marketed within the Milwaukee, Wisconsin, marketing area) of more than 50 percent of the milk which is marketed within the said marketing area, refused or failed to sign the proposed marketing agreement regulating the handling of milk in the said marketing area, and it is hereby further determined that:

(1) The refusal or failure of such handlers to sign said proposed marketing agreement tends to prevent the effectuation of the declared policy of the act;

(2) The issuance of this order is the only practical means, pursuant to the declared policy of the act, of advancing the interests of producers of milk which is produced for sale in the said marketing area;

(3) The issuance of this order is approved or favored by at least two-thirds of the producers who participated in a referendum on the question of approval of its issuance, and who during the determined representative period (May 1950) were engaged in the production of milk for sale in the said marketing area; and

(4) The provision of this order providing for the payment to all producers delivering milk to the same handler of uniform prices for all milk delivered by them is approved or favored by at least three-fourths of the producers who participated in a referendum on such provision and who, during the determined representative period (May 1950), were engaged in the production of milk for sale in the said marketing area.

Order relative to handling. It is therefore ordered that on and after the effective date hereof the handling of milk in the Milwaukee, Wisconsin, marketing area shall be in conformity to and in compliance with the following terms and conditions:

DEFINITIONS

§ 907.1 *Act.* "Act" means Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.).

§ 907.2 *Secretary.* "Secretary" means the Secretary of Agriculture or other officer or employee of the United States authorized to exercise the powers or to perform the duties of the said Secretary of Agriculture.

§ 907.3 *Person.* "Person" means an individual, partnership, corporation, association, or any other business unit.

§ 907.4 *Cooperative association.* "Cooperative association" means any cooperative marketing association of producers, duly organized as such under the laws of any State, which includes members who are producers as defined in § 907.10 and which the Secretary determines, after application by the association:

(a) To be qualified under the standards set forth in the Act of Congress of February 18, 1922, as amended, known as the "Capper-Volstead Act";

(b) To have its entire organization and all of its activities under the control of its members; and

(c) To be currently engaged in making collective sales or marketing milk or its products for its members.

§ 907.5 *U. S. D. A.* "U. S. D. A." means the United States Department of Agriculture or such other Federal agency authorized to perform the price reporting functions specified in this order.

§ 907.6 *Milwaukee, Wisconsin, marketing area.* "Milwaukee, Wisconsin, marketing area," hereinafter called the "marketing area" means the territory (including all municipal corporations) lying within the county of Milwaukee; the towns of Brookfield, New Berlin, Muskego and Menomonee, and the villages of Menomonee Falls, Lannon, and Butler in the county of Waukesha; the towns of Mequon, Cedarburg and Grafton, the city of Cedarburg, and the villages of Grafton and Thiensville in the County of Ozaukee; and the towns of Germantown and Jackson and the villages of Germantown and Jackson in the county of Washington; all in the State of Wisconsin.

§ 907.7 *Route.* "Route" means any delivery (including a sale from a plant store) of milk, skim milk, buttermilk, flavored milk or flavored milk drink in fluid form to a wholesale or retail stop(s), including a State or municipal institution, other than to any milk processing or distributing plant.

§ 907.8 *Fluid milk plant.* "Fluid milk plant" means any milk plant from which a route is operated in the marketing area.

§ 907.9 *Receiving station.* "Receiving station" means any milk plant operated by a person who also operates a fluid milk plant and utilized principally to receive milk from dairy farms and prepare such milk for transfer to a fluid milk plant.

§ 907.10 *Producer.* "Producer" means any person, other than a producer-handler, who produces milk which is received directly from the farm where produced at either a fluid milk plant or receiving station: *Provided*, That this definition shall not include (a) any such person whose milk is not eligible for disposition as Class I milk by the purchasing handler under the health requirements applicable to the dairy farm supply of milk for any community in the marketing area in which such handler operates a route, or (b) any such person with respect to milk exempt under the conditions of §§ 907.90 and 907.91. This definition shall include any person who is regularly classified as a producer but whose milk is caused to be diverted to a nonfluid milk plant by a handler, and milk so diverted shall be deemed to have been received by the handler at

the fluid milk plant or receiving station from which it was diverted.

§ 907.11 *Producer milk.* "Producer milk" means milk produced by one or more producers.

§ 907.12 *Handler.* "Handler" means any person, including any cooperative association, in his capacity as the operator of a fluid milk plant or receiving station.

§ 907.13 *Producer-handler.* "Producer-handler" means any individual who produces milk and operates a fluid milk plant, but who receives no milk from other producers.

§ 907.14 *Other source milk.* "Other source milk" means all milk and milk products other than producer milk or receipts from other handlers.

§ 907.15 *Nonfluid milk plant.* "Nonfluid milk plant" means any milk processing or distributing plant not a fluid milk plant or receiving station.

§ 907.16 *Base.* "Base" means a quantity of milk, expressed in pounds per day, computed pursuant to § 907.60.

§ 907.17 *Base milk.* "Base milk" means producer milk received by a handler during any of the months of April, May, June, or July which is not in excess of such producer's base multiplied by the number of days of delivery during such month.

§ 907.18 *Excess milk.* "Excess milk" means producer milk received by a handler in any of the months of April, May, June, or July in excess of base milk received from such producer during such month.

MARKET ADMINISTRATOR

§ 907.20 *Designation.* The agency for the administration hereof shall be a market administrator, selected by the Secretary, who shall be entitled to such compensation as may be determined and shall be subject to removal at the discretion of the Secretary.

§ 907.21 *Powers.* The market administrator shall have the following powers with respect to this order:

(a) To administer its terms and provisions;

(b) To receive, investigate, and report to the Secretary complaints of violations;

(c) To make rules and regulations to effectuate its terms and provisions; and

(d) To recommend amendments to the Secretary.

§ 907.22 *Duties.* The market administrator shall perform all duties necessary to administer the terms and provisions of this order, including but not limited to the following:

(a) Within 30 days following the date on which he enters upon his duties, or such lesser period as may be prescribed by the Secretary, execute and deliver to the Secretary a bond, effective as of the date upon which he enters upon such duties, in an amount and with surety thereon satisfactory to the Secretary;

(b) Employ and fix the compensation of such persons as may be necessary to enable him to administer the terms and provisions of the order;

(c) Obtain a bond in a reasonable amount and with reasonable surety thereon covering each employee who handles funds entrusted to the market administrator;

(d) Pay out of the funds provided by § 907.82 the cost of his bond and those of his employees, his own compensation, and all other expenses (except those incurred under § 907.83) necessarily incurred by him in the maintenance and functioning of his office and in the performance of his duties;

(e) Keep such books and records as will clearly reflect the transactions provided for by this order, and, upon request by the Secretary, surrender the same to such other person as the Secretary may designate;

(f) Submit his books and records to examination by the Secretary and furnish such information and reports as may be requested by the Secretary;

(g) Verify all reports and payments by each handler by audit of such handler's records and of the records of any other handler or person upon whose utilization the classification of skim milk or butterfat for such handler depends, and by such investigation as the market administrator deems necessary.

(h) Publicly announce at his discretion, unless otherwise directed by the Secretary, by posting in a conspicuous place in his office and by such other means as he deems appropriate, the name of any person who, within 10 days after the date upon which he is required to perform such acts, has not made (1) reports pursuant to §§ 907.30 and 907.31, or (2) payments pursuant to § 907.80.

(i) Publicly announce by posting in a conspicuous place in his office and by such other means as he deems appropriate the prices determined for each month as follows:

(1) On or before the 5th day of each month the minimum prices for Class I milk and Class II milk, computed pursuant to § 907.51, for such month;

(2) On or before the 5th day of each month the minimum prices for Class III milk and Class IV milk computed pursuant to § 907.51, and the butterfat differential computed pursuant to § 907.81, for the preceding month; and

(3) On or before the 12th day of each month the uniform prices computed pursuant to §§ 907.71 and 907.72 for the preceding month.

(j) Prepare and disseminate to the public such statistics and information as he deems advisable and as do not reveal confidential information.

REPORTS, RECORDS, AND FACILITIES

§ 907.30 *Reports of receipts and utilization.* On or before the 7th day after the end of each month each handler, except a producer-handler, shall report to the market administrator, in the detail and on forms prescribed by the market administrator, the receipts and utilization at his fluid milk plant(s) and receiving station(s) for such month, as follows:

(a) The quantities and butterfat content of producer milk received (including such handler's own farm production);

(b) The aggregate quantities of base milk and excess milk;

(c) The quantities of milk and milk products, with the butterfat content thereof, received from other handlers;

(d) The quantities of other source milk, with butterfat content thereof, received (except Class III milk and Class IV milk products disposed of in the form in which received without further processing by the handler);

(e) The utilization of all receipts of milk and milk products; and

(f) Such other information with respect to all receipts and utilization as the market administrator may prescribe.

§ 907.31 *Payroll reports.* On or before the 19th day of each month each handler shall submit to the market administrator his producer payroll for the preceding month which shall show (a) the total pounds of milk received from each producer, including for the months of April through July such producer's deliveries of base milk and excess milk, (b) the number of days on which milk was received from each producer, (c) the total pounds of milk received from each cooperative association and the total pounds of butterfat contained in such milk, (d) the amount of payment to each producer or cooperative association, (e) the nature and amount of any deductions or charges involved in such payments, and (f) such other information with respect thereto as the market administrator may request.

§ 907.32 *Other reports.* (a) Each producer-handler shall make reports to the market administrator at such time and in such manner as the market administrator may prescribe.

(b) As requested by the market administrator, each handler shall report the information described in paragraphs (a) and (b) of § 907.31 together with such other information as the market administrator may prescribe for prior calendar months included in the period beginning with September 1950 to the effective date of this order.

§ 907.33 *Records and facilities.* Each handler shall maintain and make available to the market administrator or to his representative, during the usual hours of business, such accounts and records of his operations and such facilities as are necessary for the market administrator to verify, or establish the correct data with respect to:

(a) The receipts and utilization of all receipts of producer milk, milk and milk products from other handlers, and other source milk;

(b) The weights and tests for butterfat and other content of all milk and milk products handled;

(c) Payments to producers or to cooperative associations, and

(d) The pounds of milk and milk products, with butterfat content, on hand at the beginning and end of each month.

§ 907.34 *Retention of records.* All books and records required under this order to be made available to the market administrator shall be retained by the handler for a period of three years to begin at the end of the month to which

such books and records pertain: *Provided*, That if, within such three-year period, the market administrator notifies the handler in writing that the retention of such books and records, or of specified books and records, is necessary in connection with a proceeding under section 8c (15) (A) of the act or a court action specified in such notice, the handler shall retain such books and records, or specified books and records, until further written notification from the market administrator. In either case the market administrator shall give further written notification to the handler promptly, upon the termination of the litigation or when the records are no longer necessary in connection therewith.

CLASSIFICATION OF MILK

§ 907.40 *Basis of classification.* All milk and milk products received within the month by a handler which are required to be reported pursuant to § 907.30 shall be classified by the market administrator pursuant to the provisions of § 907.41 through § 907.47.

§ 907.41 *Classes of utilization.* Subject to the conditions of § 907.44 through § 907.47 the classes of utilization shall be as follows:

(a) Class I milk shall be (1) all milk disposed of in fluid form as milk, skim milk, buttermilk, flavored milk or flavored milk drink, except any such item disposed of in bulk to bakeries, soup companies, candy manufacturing establishments or other food processors in their capacity as such, and (2) all milk not accounted for as Class II milk, Class III milk, or Class IV milk.

(b) Class II milk shall be all milk the butterfat from which is contained in sweet or sour cream, any cream product in fluid form having more than 6 percent butterfat, and cottage cheese, except butterfat in cream or such cream products disposed of in bulk fluid form to bakeries, soup companies, candy manufacturing establishments or other food processors in their capacity as such.

(c) Class III milk shall be all milk the butterfat from which is contained in (1) a product not specified as Class I milk, Class II milk, or Class IV milk, including (but not limited to) ice cream, ice cream mix, evaporated milk, condensed milk, nonfat dry milk solids, whole milk powder, eggnog, topping, casein, yogurt, and aerated cream products disposed of with flavor or sweetening added in containers or dispensers under pressure, and (2) bulk fluid milk, bulk fluid skim milk or bulk fluid cream disposed of to bakeries, soup companies, candy manufacturers or other food processors in their capacity as such.

(d) Class IV milk shall be all milk the butterfat from which is (1) contained in butter, cheese (except cottage cheese), and livestock feed, (2) contained in monthly inventory variations, and (3) actual shrinkage but not to exceed 2½ percent of the total pounds of butterfat in producer milk and actual shrinkage of butterfat in other source milk: *Provided*, That such shrinkage shall be allowed in this class only if records of total utilization satisfactory to the market administrator are available.

§ 907.42 *Shrinkage.* The market administrator shall allocate shrinkage over a handler's total receipts as follows:

(a) Compute the total shrinkage of butterfat for such handler;

(b) Prorate the resulting amount among the receipts of butterfat in producer milk, other source milk, and receipts from other handlers in accordance with the total volumes of butterfat received from each such source.

§ 907.43 *Responsibility of handlers.* In establishing classification the responsibility of handlers shall be as follows: Any producer milk shall be classified as Class I milk unless the handler who received such milk directly from producers proves to the satisfaction of the market administrator that such milk should be classified in another class without regard to whether such milk has been used or disposed of (whether in original or other form) by such handler, by any other handler(s), or in any nonfluid milk plant.

§ 907.44 *Correction of classification and reclassification of milk.* (a) The classification of any milk or milk product shall be corrected by the market administrator if upon his audit it is found that such classification was reported incorrectly or incompletely by the handler.

(b) Any milk or milk product reported by a handler as having been used or disposed of in any class which is found by the market administrator to have been reused or redisposed of (whether in original or other form) in a different class by such handler, by any other handler(s) or in any nonfluid milk plant(s) shall be reclassified by the market administrator in accordance with such latter use or disposition.

§ 907.45 *Disposition to other milk plants.* (a) Any milk or skim milk in fluid form disposed of in bulk from a fluid milk plant or receiving station to any such plant of another handler, except a producer-handler, shall be classified as Class I milk, and any cream so disposed of shall be classified as Class II milk, unless utilization in another class is mutually indicated in writing to the market administrator by both handlers on or before the 7th day after the end of the month within which such transaction occurred, in which case such milk, skim milk or cream shall be classified according to such mutual agreement: *Provided*, That in no event shall the quantity so reported in any class exceed the total use in such class in the plant of the transferee-handler after the subtraction of other source milk pursuant to § 907.47.

(b) Any milk or skim milk in fluid form disposed of from a fluid milk plant or receiving station to any nonfluid milk plant shall be classified as Class I milk, and any cream so disposed of shall be classified as Class II milk, unless all of the following conditions are met:

(1) The transferee-plant is located within 100 air-line miles from the City Hall in Milwaukee, Wisconsin;

(2) The transferring handler claims another class on the basis of a utilization mutually indicated in writing to the market administrator by both the handler and the operator of the nonfluid milk plant on or before the 7th day after the end of the month within which such transaction occurred;

(3) The operator of the nonfluid milk plant maintains books and records showing the utilization of milk and milk products received at such plant, which are made available if requested by the market administrator for the purpose of verification; and

(4) Not less than an equivalent amount of milk or milk products actually were utilized during the month in such plant in the use indicated in such statement, in which case the quantity so disposed of shall be classified according to such mutual agreement: *Provided*, That if upon the inspection of the records of such plant it is found that an equivalent amount of milk or milk products actually were not used during the month in such indicated use the remaining pounds shall be classified as Class I milk if milk or skim milk or as Class II milk if cream.

(c) Any milk or skim milk in fluid form disposed of in bulk from a fluid milk plant or receiving station to a fluid milk plant of a producer-handler shall be classified as Class I milk and cream so disposed of shall be Class II milk.

§ 907.46 *Computation of volume of milk in each class.* For each month the market administrator shall correct for mathematical and for other obvious errors the monthly report submitted by each handler and shall compute the total pounds of milk received and the pounds of milk in each class, for such handler for such month, as follows:

(a) Determine the total pounds of milk and milk products received from producers (including his own farm production), from other handlers, and as other source milk, and add together the resulting amounts.

(b) Determine the total pounds of butterfat received as follows: multiply by its average butterfat test the weight of milk received from producers (including his own farm production), from other handlers, and as other source milk, and add together the resulting amounts.

(c) Determine the total pounds of Class I milk, as follows:

(1) Convert to pounds on the basis of 2.15 pounds per quart (in the case of flavored milk and flavored milk drinks 2.0 pounds per quart) the volume disposed of as each of the several items of Class I milk;

(2) Multiply each of the resulting amounts by its average butterfat test (in the case of flavored milk and flavored milk drinks the test to be used shall be the average fat (including chocolate or other fat) test of the finished product if the handler's production records do not show the amount of butterfat contained therein), and add together the results so obtained;

(3) If the total pounds of butterfat so computed when added to the sum of the pounds of butterfat computed pursuant to paragraphs (d) (2), (e) (2), and (f) (7) of this section are less than the total pounds of butterfat computed pursuant to paragraph (b) of this section, divide the difference by 0.035; and

(4) Add togethed the results obtained pursuant to subparagraphs (1) and (3) of this paragraph.

(d) Determine the total pounds of Class II milk as follows:

(1) Multiply the actual weight of each of the several items of Class II milk by its average butterfat test;

(2) Add together the resulting amounts, and

(3) Divide the result obtained in subparagraph (2) of this paragraph by 0.035.

(e) Determine the total pounds of Class III milk as follows:

(1) Multiply the actual weight of each of the items of Class III milk by its average butterfat test;

(2) Add together the resulting amounts; and

(3) Divide the result obtained in subparagraph (2) of this paragraph by 0.035.

(f) Determine the total pounds of Class IV milk as follows:

(1) Multiply the actual weight of each of the several items of Class IV milk by its average butterfat test;

(2) Determine the difference in pounds of butterfat contained in inventories at the beginning and end of the month;

(3) Add the pounds of butterfat contained in subparagraphs (1) and (2) of this paragraph;

(4) Add the total pounds of butterfat computed pursuant to paragraphs (c) (2), (d) (2) and (e) (2) of this section to the total pounds of butterfat computed pursuant to subparagraph (3) of this paragraph;

(5) Subtract the total pounds of butterfat computed pursuant to subparagraph (4) of this paragraph from the total pounds of butterfat computed pursuant to paragraph (b) of this section, and the difference is the pounds of butterfat in actual shrinkage: *Provided*, That if such difference is a minus quantity, the amount of butterfat shrinkage shall be zero for purposes of all computations required by this section.

(6) Determine the maximum number of pounds of butterfat shrinkage in Class IV milk by (i) multiplying by 0.025 the total pounds of butterfat in milk received from producers, and (ii) adding the prorata amount of butterfat shrinkage of other source milk computed pursuant to § 907.42: *Provided*, That the pounds determined pursuant to this subparagraph shall be zero if records of utilization satisfactory to the market administrator are not available.

(7) Add the pounds of butterfat obtained in subparagraph (3) of this paragraph to the smaller of the amounts determined pursuant to subparagraph (5) or (6) of this paragraph; and

(8) Divide the pounds of butterfat obtained in subparagraph (7) of this paragraph by 0.035.

(g) Determine the pounds of butterfat overrun as follows: In the event the pounds of butterfat computed pursuant to paragraph (f) (4) of this section are greater than the pounds of butterfat computed pursuant to paragraph (b) of this section, subtract the smaller amount from the larger amount, and divide the result by .035.

§ 907.47 *Allocation of milk classified.* The pounds remaining in each class after making the following computations shall be the amount in such class allocated to producer milk:

(a) Subtract from the pounds of Class IV milk the pounds of shrinkage allowed in such class pursuant to § 907.46 (f) (6) (ii);

(b) Subtract in series beginning with the remaining Class IV milk (other than inventory variation and shrinkage), the pounds of 3.5 percent milk equivalent of other source milk received other than the amount represented by butterfat shrinkage of other source milk; and

(c) Subtract from the pounds of milk remaining in each class (other than shrinkage in Class IV milk) the pounds of milk (in Class II milk, Class III milk and Class IV milk the 3.5 percent milk equivalent of butterfat) received from other handlers and assigned to such class; and

(d) In the event the total pounds of milk remaining in the several classes are greater, or less, than the pounds of milk received from producers (including the handler's own farm production) plus the 3.5 percent milk equivalent of butterfat overrun, reconciliation shall be effected by respectively deducting such differences from, or adding such differences to, the pounds of milk which are priced at the lowest announced class price for the month.

MINIMUM PRICES

§ 907.50 *Basic formula price to be used in determining Class I and Class II milk prices.* The basic formula price to be used in determining the prices per hundredweight of Class I milk and Class II milk for each month shall be the highest of the prices computed pursuant to paragraphs (a), (b) and (c) of this section for the preceding month.

(a) The average of the prices per hundredweight reported to have been paid, or to be paid, for milk of 3.5 percent butterfat content received from farmers during the month at the following plants or places for which prices have been reported to the U. S. D. A. or to the market administrator.

Present Operator and Location

Borden Co., Mount Pleasant, Mich.
Carnation Co., Sparta, Mich.
Pet Milk Co., Hudson, Mich.
Pet Milk Co., Wayland, Mich.
Pet Milk Co., Coopersville, Mich.
Borden Co., Greenville, Wis.
Borden Co., Black Creek, Wis.
Borden Co., Orfordville, Wis.
Borden Co., New London, Wis.
Carnation Co., Chilton, Wis.
Carnation Co., Berlin, Wis.
Carnation Co., Richland Center, Wis.
Carnation Co., Oconomowoc, Wis.
Carnation Co., Jefferson, Wis.
Pet Milk Co., New Glarus, Wis.
Pet Milk Co., Belleville, Wis.
White House Milk Co., West Bend, Wis.
White House Milk Co., Manitowoc, Wis.

(b) The price per hundredweight computed from the following formula:

(1) Multiply the simple average, as computed by the market administrator, of the daily average wholesale selling prices (using the midpoint of any price range as one price) of Grade A (92-score) bulk creamery butter per pound at Chicago, as reported by the U. S. D. A. during the month, by 6;

(2) Add 2.4 times the simple average, as published by the U. S. D. A. of the prices determined per pound of "Cheddars" on the Wisconsin Cheese Exchange at Plymouth, Wisconsin, for the trading days that fall within the month;

(3) Divide by 7;

(4) Add 30 percent thereof; and

(5) Multiply by 3.5.

(c) The price per hundredweight computed from the following formula:

(1) Multiply by 4.24 the simple average, as computed by the market administrator of the daily wholesale selling prices (using the midpoint of any price range as one price) of Grade AA (93-score) bulk creamery butter per pound at Chicago, as reported by the U. S. D. A. during the month: *Provided*, That if no price is reported for Grade AA (93-score) butter, the highest of the prices reported for Grade A (92-score) butter for that day shall be used in lieu of the price for Grade AA (93-score) butter;

(2) Multiply by 8.2 the simple average, as computed by the market administrator, of the weighted averages of carlot prices per pound for nonfat dry milk solids, spray and roller process, respectively, for human consumption f. o. b. manufacturing plants in the Chicago area, as published for the period from the 26th day of the immediately preceding month through the 25th day of the current month by the U. S. D. A.; and

(3) From the sum of the results arrived at under subparagraphs (1) and (2) of this paragraph, subtract 67 cents.

§ 907.51 *Class prices.* Each handler, at the time and in the manner set forth in § 907.80, shall pay per hundredweight of milk received during each month from producers or from a cooperative association at his fluid milk plant(s) or receiving station(s) not less than the prices set forth below in this section:

(a) *Class I milk.* The price for Class I milk shall be the basic formula price plus the following amount as indicated: May and June, $0.46; August, September, October and November, $0.86; all others, $0.66.

(b) *Class II milk.* The price for Class II milk shall be the basic formula price plus the following amount as indicated: May and June, $0.30; August, September, October and November, $0.50; all others, $0.40.

(c) *Class III milk.* The price for Class III milk shall be the average of the prices per hundredweight reported to have been paid, or to be paid, for the current month to farmers for milk containing 3.5 percent butterfat received during such month at the following listed manufacturing plants or places for which prices are reported to the U. S. D. A. or to the market administrator:

Companies and Location

Kraft Foods, Inc., Hartford, Wis.
Carnation Co., Oconomowoc, Wis.
White House Milk Co., West Bend, Wis.

Provided, That if the price paid, or to be paid, at one or more of such plants is not so reported, the market administrator shall include in the computation of such average the prices per hundred-

weight reported to have been paid, or to be paid, for the current month for milk containing 3.5 percent butterfat received during such month at the following listed manufacturing plants for which prices are reported to the U. S. D. A. or to the market administrator:

Companies and Location

Armour & Co., Stoughton, Wis.
United Milk Products Co., Johnson Creek, Wis.

Provided, That in no event shall the price for Class III milk be lower than the price for Class IV milk.

(d) *Class IV milk.* The price for Class IV milk shall be the same as that computed pursuant to § 907.50 (c).

DETERMINATION OF BASE

§ 907.60 *Computation of base for each producer.* For each of the months of April through July of each year the market administrator shall compute a base for each producer as follows, subject to the rules set forth in § 907.61:

(a) Divide the total pounds of milk received by a handler(s) from such producer during the months of September through December immediately preceding by the number of days, not to be less than seventy-five, of such producer's delivery in such period, and increase the resulting amount by the following applicable percentage: (1) For the first April through July following the effective date of the order, forty percent (40%), (2) for the second April through July following the effective date of the order, thirty percent (30%), and (3) for each April through July thereafter, twenty percent (20%): *Provided*, That each producer who does not deliver milk in accordance with the requirements set forth above in this paragraph shall have a base computed in the following manner: For each of such months of April through July (1) determine with respect to the handler who received such producer's milk on the last day of such month the percentage that total base milk is to total monthly receipts from all producers (of such handler) whose bases were established on the basis of deliveries during the preceding months of September through December, and (2) multiply such producer's daily average deliveries during the appropriate month (April, May, June or July) by such percentage.

§ 907.61 *Base rules.* The following rules shall apply in connection with the establishment of bases:

(a) A producer, whether landlord or tenant, may retain his base when moving his entire herd of cows from one farm to another: *Provided*, That at the beginning of a tenant and landlord relationship to the base of each landlord and tenant shall be combined.

(b) A landlord who rents on a share basis shall be entitled to the entire base to the exclusion of the tenant if the landlord owns the entire herd. A tenant who rents on a share basis shall be entitled to the entire base to the exclusion of the landlord if the tenant owns the entire herd. If the cattle are jointly owned by the tenant and landlord, the base shall be a combined base to the divided proportionately between the joint owners according to ownership of the cattle when such share basis is terminated: *Provided*, That upon termination of such share basis either party may relinquish his individual base and establish a new base in accordance with the method set forth in the proviso of § 907.60.

(c) A base may be transferred to another producer only under the following conditions: (1) In case of the death of a producer, his base may be transferred to a surviving member or members of his immediate family who carry on the dairy operations, or (2) on the retirement of a producer, his base may be transferred to a member or members of his immediate family who carry on the dairy operations.

(d) The bases of two or more producers may be combined in the case where a partnership is formed, and may be divided in the case of the dissolution of a partnership proportionately among the partners according to the ownership of the cattle.

(e) In the case of a tenant or landlord having no base who combines herds with a tenant or landlord having a base, such base may be relinquished and a new base formed with respect to the total deliveries of the combined herds in accordance with the method set forth in the proviso of § 907.60.

(f) As soon as bases are allotted to producers pursuant to § 907.60, the market administrator shall notify each handler of the bases of producers from whom such handler receives milk.

DETERMINATION OF UNIFORM PRICE TO PRODUCERS

§ 907.70 *Computation of milk value for each handler.* On or before the 12th day of each month, the market administrator shall examine for mathematical correctness and obvious errors the report of receipts and utilization submitted by each handler for the preceding month and shall make such corrections as such examination shall indicate to be appropriate, and from such corrected reports he shall compute the value of all producer milk received by such handler (including such handler's own farm production), by multiplying the total hundredweight of such milk in each class by the applicable class price and adding together the resulting amounts.

§ 907.71 *Computation of uniform price for each handler.* The market administrator shall compute for each handler the uniform price per hundredweight of producer milk for each of the months of August through March in the following manner: To the value computed pursuant to § 907.70:

(a) Add or deduct, as the case may be, the amount of money involved in adjustments resulting from verification by the market administrator of the handler's reports for previous months;

(b) Add or deduct, as the case may be, the amount of money involved in adjusting the handler's preceding month's uniform prices to the nearest cent;

(c) Divide by the hundredweight of producer milk received by such handler and adjust to the nearest cent. This result shall be known as the uniform price of such handler for milk of 3.5 percent butterfat content received at his fluid milk plant(s) or receiving station(s).

§ 907.72 *Computation of uniform prices for base milk and excess milk.* The market administrator shall compute for each handler the uniform prices per hundredweight of base milk and excess milk for each of the months of April through July as follows: To the value computed pursuant to § 907.70:

(a) Add or deduct, as the case may be, the amount of money involved in adjustments resulting from verification by the market administrator of the handler's reports for previous months;

(b) Add or deduct, as the case may be, the amount of money involved in adjusting the handler's preceding month's uniform prices to the nearest cent;

(c) Compute the total value of excess milk received by such handler by multiplying the hundredweight of such excess milk by the Class IV price for 3.5 percent milk, and adding any amount resulting from the proviso of paragraph (d) of this section;

(d) Compute the total value of base milk received by such handler by subtracting the amount computed pursuant to paragraph (c) of this section from the amount computed pursuant to paragraph (b) of this section: *Provided*, That if such resulting amount is greater than an amount computed by multiplying the pounds of base milk received by such handler by the Class I price (3.5 percent milk) such value in excess thereof shall be included in the total value of excess milk computed in paragraph (c) of this section;

(e) Divide the result obtained in paragraph (d) of this section by the hundredweight of base milk received by such handler, and adjust to the nearest cent. This result shall be known as the uniform price per hundredweight of such handler for base milk of 3.5 percent butterfat content received at his fluid milk plant(s) or receiving station(s).

(f) Divide the result obtained in paragraph (c) of this section by the hundredweight of excess milk, and adjust to the nearest cent. This result shall be known as the uniform price per hundredweight of such handler for excess milk of 3.5 percent butterfat content received at his fluid milk plant(s) or receiving station(s).

PAYMENTS

§ 907.80 *Time and method of payment for producer milk.* (a) On or before the 15th day after the end of each of the months of August through March, each handler shall make payment to each producer for milk received from such producer during such month at not less than the uniform price per hundredweight computed for such handler (§ 907.71), subject to the butterfat differential provided by § 907.81 and to the deduction specified in § 907.83: *Provided*, That if a cooperative association of which such producer is a member is authorized to receive payment for such producer and requests receipt of such payment, payment shall be made to such

cooperative association on or before the 13th day after the end of such month: *And provided also*, That the provisions of this paragraph shall not be construed to restrict any cooperative association qualified under section 8c (5) (F) of the act from making payment for milk to its producers in accordance with such provision of the act;

(b) On or before the 15th day after the end of each of the months of April through July each handler shall make payment to each producer for milk received from such producer during such month as follows, subject to the butterfat differential provided by § 907.81, the deduction specified in § 907.83, and both provisos of paragraph (a) of this section:

(1) At not less than the uniform price per hundredweight for base milk (§ 907.72) with respect to base milk received from such producer; and

(2) At not less than the uniform price per hundredweight for excess milk (§ 907.72) with respect to excess milk received from such producer.

(c) On or before the 15th day after the end of each month each handler shall pay to each cooperative association which is a handler, for receipts of milk or milk products subject to classification pursuant to §§ 907.40 and 907.41, an amount of money representing not less than the total value of such milk or milk products computed by multiplying the pounds in each class by the applicable class price per hundredweight subject to a butterfat differential computed as in § 907.81.

§ 907.81 *Butterfat differential to producers.* In making payments pursuant to § 907.80, there shall be added to or subtracted from the applicable price for each one-tenth of one percent that the average of butterfat content of milk received from any producer is above or below 3.5 percent, as the case may be, an amount computed as follows: To the simple average, as computed by the market administrator, of the daily wholesale selling prices (using the midpoint of any price range as one price) of Grade A (92-score) bulk creamery butter per pound at Chicago, as reported by the U. S. D. A. for the month during which the milk was received, add 20 percent, divide the result by 10, and adjust to the nearest one-tenth cent.

§ 907.82 *Expense of administration.* As his prorata share of the expense incurred pursuant to § 907.22, each handler shall pay to the market administrator, on or before the 15th day after the end of each month, 3 cents per hundredweight, or such amount not exceeding 3 cents per hundredweight, as the Secretary from time to time may prescribe, with respect to all (a) producer milk (including such handler's own production) received during such month, and (b) other source milk classified as Class I milk or Class II milk during such month.

§ 907.83 *Marketing Services.* (a) Except as set forth in paragraph (b) of this section, each handler shall deduct 5 cents per hundredweight, or such amount not exceeding 5 cents per hundredweight as the Secretary from time to time may prescribe, from the payments made pursuant to paragraphs (a) and (b) of § 907.80 for each month, and shall pay such deductions to the market administrator on or before the 15th day after the end of such month. Such monies shall be used by the market administrator to check weights, samples and tests of producer milk received by handlers and to provide producers with market information, such services to be performed by the market administrator or by an agent engaged by and responsible to him.

(b) In the case of producers for whom a cooperative association is actually performing, as determined by the market administrator, the services set forth in paragraph (a) of this section, but for whom such cooperative association does not receive payment for milk, each handler shall make in lieu of the deduction specified in paragraph (a) of this section such deductions from the payments to be made to such producers as may be authorized by the membership agreement or marketing contract between such cooperative association and such producers, and on or before the 15th day after the end of such month pay over such deduction to the cooperative association rendering such services.

§ 907.84 *Adjustment of accounts.* (a) Whenever audit by the market administrator of any handler's reports, records, books, or accounts discloses errors resulting in monies due:

(1) The market administrator from such handler,

(2) Such handler from the market administrator, or

(3) Any producer or cooperative association from such handler, the market administrator shall promptly notify such handler of any such amount due; and payment thereof shall be made on or before the next date for making payment set forth in the provision under which such error occurred following the 5th day after such notice.

(b) Any unpaid obligation of a handler pursuant to §§ 907.80 through 907.84 shall be increased one-half of one percent on the first day of the month next following the due date of such obligation and on the first day of each month thereafter until such obligation is paid.

§ 907.85 *Termination of obligation.* The provisions of this section shall apply to any obligation under this order for the payment of money.

(a) The obligation of any handler to pay money required to be paid under the terms of this order shall, except as provided in paragraphs (b) and (c) of this section, terminate two years after the last day of the calendar month during which the market administrator receives the handler's utilization report on the milk involved in such obligation, unless within such two-year period the market administrator notifies the handler in writing that such money is due and payable. Service of such notice shall be complete upon mailing to the handler's last known address, and it shall contain, but need not be limited to, the following information:

(1) The amount of the obligation;

(2) The month(s) during which the milk, with respect to which the obligation exists, was received or handled; and

(3) If the obligation is payable to one or more producer(s) or association of producers, or if the obligation is payable to the market administrator, the account for which it is to be paid.

(b) If a handler fails or refuses, with respect to any obligation under this order, to make available to the market administrator or his representatives all books and records required by this order to be made available, the market administrator may, within the two-year period provided for in paragraph (a) of this section, notify the handler in writing of such failure or refusal. If the market administrator so notifies a handler, the said two-year period with respect to such obligation shall not begin to run until the first day of the month following the month during which all such books and records pertaining to such obligation are made available to the market administrator or his representative.

(c) Notwithstanding the provisions of paragraphs (a) and (b) of this section, a handler's obligation under this order to pay money shall not be terminated with respect to any transaction involving fraud or willful concealment of a fact, material to the obligation on the part of the handler against whom the obligation is sought to be imposed.

(d) Any obligation on the part of the market administrator to pay a handler any money which such handler claims to be due him under the terms of this order shall terminate two years after the end of the month during which the milk involved in the claim was received if an underpayment is claimed, or two years after the end of the month during which the payment (including deduction or setoff by the market administrator) was made by the handler if a refund on such payment is claimed, unless such handler, within the applicable period of time, files, pursuant to section 8c (15) (A) of the act, a petition claiming such money.

APPLICATION OF PROVISIONS

§ 907.90 *Producer-handlers.* Sections 907.40 to 907.47, 907.50 to 907.51, 907.60 to 907.61, 907.70 to 907.72, and 907.80 to 907.85, inclusive, shall not apply to a producer-handler.

§ 907.91 *Milk subject to pricing under other Federal orders.* (a) If any milk is disposed of on a route in the marketing area operated by or for a person otherwise subject to regulation as a handler as defined in any other Federal milk marketing agreement or order issued pursuant to the act, such milk shall be exempt from the provisions of this order, except for such reports as the market administrator may request, unless

(1) The provisions of the order for the other milk marketing area provide for a determination as to the order under which such milk should be priced, and such determination indicates that it shall be priced under this order; or

(2) The other order is that regulating the handling of milk in the suburban Chicago, Illinois, marketing area and the Secretary determines that a

greater volume of milk is disposed of by such handler as Class I milk and Class II milk in the marketing area herein defined than is so disposed of in the marketing area defined in such other order.

(b) If any milk, or product thereof, is received at the fluid milk plant or receiving station of a handler subject to the provisions of this order from a person regulated as a handler under another order, it shall be considered as other source milk under this order.

EFFECTIVE TIME, SUSPENSION OR TERMINATION

§ 907.100 *Effective time.* The provisions of this order or any amendments to this order shall become effective at such time as the Secretary may declare and shall continue in force until suspended or terminated.

§ 907.101 *Suspension or termination.* The Secretary may suspend or terminate this order or any of its provisions whenever he finds that this order or any of its provisions obstruct or do not tend to effectuate the declared policy of the act. This order shall terminate in any event whenever the provisions of the act authorizing it cease to be in effect.

§ 907.102 *Continuing obligations.* If, upon the suspension or termination of any or all provisions of this order, there are any obligations thereunder the final accrual or ascertainment of which requires further acts by any person (including the market administrator), such further acts shall be performed notwithstanding such suspension or termination.

§ 907.103 *Liquidation.* Upon the suspension or termination of the provisions of this order, except this subpart, the market administrator, or such other liquidating agent, as the Secretary may designate, shall if so directed by the Secretary, liquidate the business of the market administrator's office, dispose of all property in his possession or control, including accounts receivable, and execute and deliver all assignments or other instruments necessary or appropriate to effectuate any such disposition. If a liquidating agent is so designated, all assets, books, and records of the market administrator shall be transferred promptly to such liquidating agent. If upon such liquidation, the funds on hand exceed the amounts required to pay outstanding obligations of the office of the market administrator and to pay necessary expenses of liquidation and distribution, such excess shall be distributed to contributing handlers and producers in an equitable manner.

MISCELLANEOUS PROVISIONS

§ 907.110 *Agents.* The Secretary may, by designation in writing, name any officer or employee of the United States to act as his agent or representative in connection with any of the provisions hereof.

§ 907.111 *Separability of provisions.* If any provision hereof, or its application to any person or circumstances, is held invalid, the application of such provision, and of the remaining provisions hereof, to other persons or circumstances shall not be affected thereby.

Issued at Washington, D. C., this 23d day of October 1950. Sections 907.1 through 907.18, 907.20 through 907.22, 907.30 through 907.34, 907.40 through 907.47, 907.82, 907.100 through 907.103, 907.110, and 907.111 shall be effective on and after the 1st day of November 1950 and §§ 907.50, 907.51, 907.60, 907.61, 907.70 through 907.72, 907.80, 907.81, 907.83, 907.84, 907.85, 907.90, and 907.91 shall be effective on and after the 1st day of December 1950.

[SEAL] CHARLES F. BRANNAN,
Secretary of Agriculture.

[F. R. Doc. 50-9466; Filed, Oct. 25, 1950; 8:49 a. m.]

TITLE 12—BANKS AND BANKING

Chapter II—Federal Reserve System

Subchapter A—Board of Governors of the Federal Reserve System

[Reg. X]

PART 225—RESIDENTIAL REAL ESTATE CREDIT

INTERPRETATIONS

Sec.
225.101 Statement of Borrower where credit secured by mortgage collateral.
225.102 Necessity for Statement of Borrower for nonregulated credit.
225.103 Instruments evidencing exempt credit.
225.104 Registrant's records of nonregulated credit.
225.105 Firm commitment prior to effective date.

AUTHORITY: §§ 225.101 to 225.104, issued under Pub. Law 774, 81st Cong., E. O. 10161, Sept. 9, 1950, 15 F. R. 6105.

§ 225.101 *Statement of borrower where credit secured by mortgage collateral.* A Registrant makes a loan to a mortgage company on a note secured by a pledge of collateral consisting of real estate mortgages, including some subject to this part. May the Registrant rely upon a statement by the mortgage company that all of the pledged mortgages which are subject to this part conform with the requirements of the part? Must the Registrant procure a copy of the Statement of the Borrower which the mortgagor signed, pursuant to § 225.4 (c), with respect to each pledged mortgage which is subject to this part?

Section 225.4 (a) (5) provides that no Registrant shall lend on any credit instrument evidencing real estate construction credit which is subject to and not exempt from this part, unless the terms of such credit conformed with the provisions of § 225.7 when such credit was originally extended, or conform at the time of such loan. In the case described, the Registrant may not rely upon the statement by the mortgage company to establish that the pledged mortgages which are subject to this part conform with the requirements of the part. The Registrant, however, may rely upon a signed statement accepted in good faith in which the mortgage company states which of the pledged mortgages do, and which do not, evidence real estate construction credit subject to this part; and in determining whether a mortgage which is subject to this part conforms with the part, the Registrant may rely upon the facts stated in a copy of the Statement of the Borrower signed by the mortgagor and which the Registrant accepts in good faith.

§ 225.102 *Necessity for Statement of Borrower for nonregulated credit.* A Registrant makes an unsecured loan to a mortgage company, the proceeds of which are to be used by the mortgage company to make real estate loans, including some subject to this part. Must the Registrant obtain any Statement of the Borrower?

As described, the loan by the Registrant to the mortgage company is not an extension of real estate construction credit or a loan on credit instruments evidencing real estate construction credit. The Registrant is required only to be satisfied, and maintain records which reasonably demonstrate on their face, that the loan to the mortgage company is not real estate construction credit. This requirement may be met by the execution by the mortgage company of a Statement of the Borrower of the kind described in the first paragraph of § 225.4 (c) and the acceptance of the Statement by the Registrant in good faith.

§ 225.103 *Instruments evidencing exempt credit.* The prohibitions of § 225.4 (a) (5) with respect to a Registrant purchasing, discounting, or lending on credit instruments evidencing real estate construction credit apply only to credit instruments evidencing credit which is subject to and not exempt from this part. Under § 225.6 (b), credit extended pursuant to firm commitments made prior to the effective date of this part is exempt. Accordingly, there is no prohibition with respect to purchasing, discounting, or lending on credit instruments evidencing such credit.

§ 225.104 *Registrant's records of nonregulated credit.* Question has been raised as to what constitutes compliance with provisions of first sentence of § 225.4 (c). This provides that no Registrant shall extend any credit unless he is satisfied, and maintains records which reasonably demonstrate on their face, whether such credit is or is not real estate construction credit. If the Registrant is satisfied that the credit is not real estate construction credit, the provisions of this sentence may be met by the retention by the bank of any of the following: (a) A statement of the borrower, on the form now available at the Federal Reserve Banks or contained in a loan application or any letter or other writing, which is signed by the borrower and states the facts indicated in the second sentence of § 225.4 (c); (b) any correspondence, memoranda, loan applications or other documents of any kind, whether or not originating in connection with the credit in question, which on the basis of a reasonable interpretation show that the credit is not real estate construction credit; or (c) a written endorsement or

rubber stamp legend, placed upon the credit instrument or upon other papers in connection with the credit and signed by the Registrant or a responsible officer of the Registrant, stating that he is satisfied that the credit in question is not real estate construction credit.

§ 225.105 *Firm commitment prior to effective date.* Section 225.6 (b) provides that the provisions of this part shall not apply to or affect any credit extended pursuant to any firm commitment to extend credit made prior to the effective date of the part. Inquiries have been received concerning the application of this section to agreements entered into by a Registrant and a builder prior to the effective date of this part under which the Registrant agreed to lend a stated amount on stated terms to any purchaser of particular residences built or to be built by the builder if the purchaser has a credit standing satisfactory to the Registrant and if the residence has been constructed according to prescribed plans and specifications.

Section 225.6 (b) defines a firm commitment as "either (a) a written agreement under which the Registrant is required without option or discretion on his part to extend credit upon demand by the borrower or upon compliance by the borrower with one or more conditions referred to in such agreement; or (b) any other agreement to extend credit which has been entered into in good faith by the parties and in reliance upon which the prospective borrower has taken specific action prior to the effective date of this part, if the Registrant within 30 days after the effective date of this part shall have sent to the Federal Reserve Bank of the district in which he does business a letter or other statement reciting the facts with respect to such agreement and the specific action taken by the prospective borrower prior to the effective date of this part."

If an agreement of the kind described in this section is in writing, it constitutes a firm commitment within the meaning of clause (a) of the definition of that term and the fact that the borrower (purchaser) must have a credit standing satisfactory to the Registrant is merely one of the conditions with which the borrower must comply. If such an agreement is not in writing, it constitutes a firm commitment within the meaning of clause (b) of the definition if the builder has taken specific action in reliance upon the agreement prior to the effective date of this part and the Registrant furnishes the required information to the appropriate Federal Reserve Bank within 30 days after the effective date of this part. For this purpose, the term "prospective borrower" in clause (b) of the definition is deemed to include the builder to whom the commitment was made.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
[SEAL] S. R. CARPENTER,
Secretary.

[F. R. Doc. 50-9432; Filed, Oct. 25, 1950; 8:46 a. m.]

TITLE 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Federal Security Agency

PART 141—TESTS AND METHODS OF ASSAY FOR ANTIBIOTIC AND ANTIBIOTIC-CONTAINING DRUGS

PART 146—CERTIFICATION OF BATCHES OF ANTIBIOTIC AND ANTIBIOTIC-CONTAINING DRUGS

MISCELLANEOUS AMENDMENTS

By virtue of the authority vested in the Federal Security Administrator by the provisions of section 507 of the Federal Food, Drug, and Cosmetic Act (52 Stat. 1040, 1055, as amended by 59 Stat. 463, 61 Stat. 11, 63 Stat. 409; 21 U. S. C. and Sup. 357), the regulations for tests and methods of assay for antibiotic and antibiotic-containing drugs (21 CFR 141.1 et seq., and 1949 Supp.) and certification of batches of antibiotic and antibiotic-containing drugs (21 CFR 146.1 et seq., and 1949 Supp.) are amended as indicated below:

1. In § 141.2 *Sodium penicillin,* * * *; *sterility,* paragraph (b) is amended to read as follows:

(b) *Conduct of test.* Dissolve the sample to be tested in sterile distilled water so that each milliliter contains not less than 10,000 and not more than 40,000 units. Transfer aseptically 1.0 milliliter to each of four tubes containing 15 milliliters of thioglycollate medium, to which has been added sufficient penicillinase to inactivate at least 50,000 units of penicillin. Let stand at room temperature for not less than 2 hours, shaking the tubes at ½-hour intervals. Inoculate one of these tubes with 1.0 milliliter of 1: 1000 dilution of an 18–24-hour broth culture of M. pyogenes var. aureus (P. C. I.–209P and American Type Culture Collection 6538P) and incubate all four tubes for 4 days at 37° C. The inoculated tube should show growth at the end of 4 days; if so, and no other tube shows growth, the sample is sterile.

2. In § 141.7 *Penicillin in oil and wax,* paragraph (b) is amended to read as follows:

(b) *Sterility.* Add aseptically approximately 1.0 milliliter of the sample to 9.0 milliliters of sterile cottonseed oil. Shake vigorously. Transfer 1.0 milliliter aseptically to each of four tubes containing 15 milliliters of fluid thioglycollate medium, to which has been added sufficient penicillinase to inactivate the penicillin present and proceed as directed in § 141.2.

3. In § 141.16 *Tablets aluminum penicillin,* paragraph (a) *Potency,* first sentence, is amended to read as follows: "Proceed as directed in § 141.9 (a), using citrate buffer at pH 6.3 for making working dilutions of the working standards and for the sample under test in lieu of phosphate buffer."

4. In § 141.17 *Penicillin sulfonamide powder,* paragraph (a) is amended to read as follows:

(a) *Potency.* Proceed as directed in § 141.9 (a), except prepare the samples as follows: Accurately weigh 0.5 gm. from each of 12 immediate containers and dissolve in 100 milliliters of distilled water. From this solution make the proper estimated dilutions in 1 percent phosphate buffer at pH 6.0.

5. In § 141.26 *Procaine penicillin,* paragraphs (a), (c), and (d) are amended to read as follows:

(a) *Potency.* Proceed as directed in § 141.1, or by the iodometric method as described in § 141.5 (d) (1), except prepare the sample as follows: Dissolve a weighed sample (approximately 50 mg.) in 2.0 milliliters of redistilled methanol. Further dilute this solution with sufficient 1 percent phosphate buffer pH 6.0 to give a concentration of 2.0 milligrams per milliliter.

* * * * *

(c) *Pyrogens.* Proceed as directed in § 141.3, except use physiological salt solution as the diluent.

(d) *Toxicity.* Proceed as directed in § 141.4, except use physiological salt solution as the diluent, and inject 0.5 milliliter of a solution containing 2,000 units per milliliter.

6. In § 141.28 *Crystalline penicillin for inhalation therapy,* paragraph (a) is amended to read as follows:

(a) *Potency.* Proceed as directed in § 141.1, or by the iodometric method as described in § 141.5 (d) (1).

7a. In § 141.29 *Procaine penicillin for aqueous injection,* paragraph (a) is amended to read as follows:

(a) *Potency.* Proceed as directed in § 141.1, using a 50 percent acetone-water solution to dissolve the sample, or by the iodometric method as described in § 141.5 (d) (1), except dissolve the sample in about 5.0 milliliter of redistilled methanol prior to diluting with 1 percent phosphate buffer pH 6.0.

b. In § 141.29, paragraphs (d) and (e) are amended to read as follows:

(d) *Pyrogens.* Proceed as directed in § 141.3, except use physiological salt solution as the diluent.

(e) *Toxicity.* Proceed as directed in § 141.4, except use physiological salt solution as the diluent, and inject 0.25 milliliter of a solution containing 4,000 units per milliliter.

8. In § 141.30 *Ephedrine penicillin,* paragraph (a) is amended to read as follows:

(a) *Potency.* Proceed as directed in § 141.1, or by the iodometric method as described in § 141.5 (d) (1), except dilute the sample with sufficient 1 percent phosphate buffer pH 6.0 to give a concentration of 2.0 milligrams per milliliter.

9. In § 141.31 *Ephedrine penicillin tablets,* paragraph (a) is amended to read as follows:

(a) *Potency.* Proceed as directed in § 141.9 (a), or by the iodometric method as described in § 141.5 (d) (1), using 6 tablets dissolved in sufficient 1 percent phosphate buffer pH 6.0 to give a concentration of 2,000 units per milliliter.

10. In § 141.105 *Streptomycin sulfate* * * *; *histamine,* the thirteenth

sentence is changed to read as follows: "The animal may be used as long as it remains reasonably stable and responsive to histamine."

11. Part 141 is amended by adding the following new section:

§ 141.113 *Streptomycin syrup*—(a) *Potency.* Proceed as directed in § 141.101, except paragraph (k) thereof. Its potency is satisfactory if it contains not less than 85 percent of the number of milligrams of streptomycin per milliliter it is represented to contain.

12. In § 141.201 *Aureomycin hydrochloride*, paragraph (a) is amended to read as follows:

(a) *Potency*—(1) *Cylinders (cups).* Use cylinders described in § 141.1 (a).

(2) *Culture media.* Use a medium described under § 141.1 (b) (1) and (2) for the seed layer and the base layer. Use a nutrient broth described under § 141.1 (b) (3) for preparing a suspension of the test organism.

(3) *Working standard.* Weigh out carefully an appropriate amount of the aureomycin working standard and dilute to 1,000 micrograms per milliliter in water. The standard solution, when refrigerated, may be used for 7 days. The standard solution may be preserved for at least 2 months by freezing in small aliquots. Each aliquot should be sufficient for one day's use only.

(4) *Preparation of sample.* Dissolve the sample to be tested in sterile distilled water to make an appropriate stock solution. Make the final dilution in 1 percent phosphate buffer pH 6.0 to contain 20 micrograms per milliliter.

(5) *Preparation of suspension.* The test organism is Sarcina lutea (P. C. I. 1001 and American Type Culture Collection 9341). Maintain the test organism on slants of nutrient agar prepared as in subparagraph (2) of this paragraph, and transfer to a fresh agar slant once a week. Prepare a suspension of the test organism as follows: Streak an agar slant heavily with a test organism. Wash the growth off with 3 milliliters of nutrient broth. Use the suspension so obtained to inoculate the surface of a Roux bottle containing 300 milliliters of the nutrient agar. Spread the suspension over the entire surface with the aid of sterile glass beads. Incubate for 24 hours at 26° C. Wash growth from the agar surface with 25 milliliters of nutrient broth prepared as in subparagraph (2) of this paragraph. If an aliquot of this bulk suspension, when diluted with nutrient broth 1:10, gives 10 percent light transmission in a suitable photoelectric colorimeter equipped with a filter having a wave length of 6500 Angstrom units, the bulk suspension is satisfactory for use. It may be necessary to adjust the bulk suspension by dilution so that an aliquot of the adjusted suspension diluted 1:10 gives 10 percent of light transmission. (The adjusted bulk suspension only and not the 1:10 dilution of it is used in preparing the seed layer.) The bulk suspension may be used for at least one week. Add 0.5 to 1.0 milliliter of the adjusted bulk suspension to 100 milliliters of agar which has been melted and cooled to 48° C.

(6) *Preparation of plates.* Add 21 milliliters of the agar prepared as in subparagraph (2) of this paragraph to each Petri dish (20 x 100 mm.) Distribute the agar evenly in the plates and allow it to harden. Use the plates the same day they are prepared. Add 4.0 milliliters of the inoculum as prepared in subparagraph (5) of this paragraph to each plate, tilting the plates back and forth to spread the inoculated agar evenly over the surface.

(7) *Assay.* Place six cylinders on the inoculated agar surface so that they are at approximately 60° intervals on a 2.8-centimeter radius. Use three plates for each sample. Fill three cylinders on each plate with the 20 micrograms per milliliter standard and three cylinders with the 20 micrograms per milliliter (estimated), alternating standard and sample. At the same time prepare a standard curve using concentrations of the standard of 8.0, 10.0, 12.0, 16.0, 20.0, 24.0, 28.0, 32.0, and 36.0 micrograms per milliliter in 1 percent phosphate buffer pH 6.0. A total of 24 plates is used in the preparation of this standard curve, three plates for each solution, except the 20 micrograms per milliliter solution. The latter concentration is used as the reference point and is included on each plate. On each of three plates fill three cylinders with the 20 micrograms per milliliter standard and the other three cylinders with the concentration of the standard under test. Thus, there will be 72 twenty-microgram determinations and nine determinations for each of the other points on the curve. Incubate the plates for 16 to 18 hours at 37° C. and measure the diameter of each circle of inhibition. Average the readings of the 20 micrograms per milliliter concentration and the readings of the point tested for each set of three plates and average also all 72 readings of the 20 micrograms per milliliter concentration. The average of the 72 readings and the 20 micrograms per milliliter concentration is the correction point for the curve. Correct the average value obtained for each point to the figure it would be if the 20 micrograms per milliliter reading for that set of three plates were the same as the correction point. Thus, if in correcting the 16 micrograms per milliliter concentration the average of the 72 readings of the 20 micrograms per milliliter concentration is 18.0 millimeters, and the average of the 20 micrograms per milliliter concentration of this set of three plates is 17.8 milliliters, the correction is +0.2 millimeter. If the average reading of the 16 micrograms per milliliter concentration of those same three plates is 17.0 millimeters, the corrected value is then 17.2 millimeters.

Plot these corrected values, including the average of the 20 micrograms per milliliter concentration on two-cycle semilog paper, using the concentration in micrograms per milliliter as the ordinate (the logarithmic scale) and the diameter of the zone of inhibition as the abscissa. Draw the standard curve through these points.

To estimate the potency of the sample, average the zone readings of the standard and the zone readings of the sample on the three plates used. If the sample gives a larger zone size than the average of the standard, add the difference between them to the 20 micrograms per milliliter unit zone on the standard curve. If the average value is lower than the standard value, subtract the difference between them from the micrograms per milliliter unit value on the curve. From the curves read the potencies corresponding to these corrected values of zone sizes.

(8) *Turbidimetric assay.* In lieu of the plate assay method described above, the sample may be assayed for potency by the following turbidimetric method:

(i) *Test culture and media.* Employ the agar described in paragraph (b), § 141.1 for maintaining the test organism which is M. pyogenes var. aureus (P. C. I. 209–P and American Type Culture Collection 6538–P). Transfer the organism to fresh agar slants and incubate at 37° C. overnight. For use in the assay, suspend daily the growth from a fresh slant in a small amount of nutrient broth prepared as in § 141.1 (b) (3) and transfer to a flask containing sufficient nutrient broth warmed to 37° C. (about 150 milliliters) to give a light transmission reading of 85 percent using a filter at 6,500 Angstrom units in a photoelectric colorimeter. Prepare the daily inoculum by adding 40 milliliters of this suspension to each liter of nutrient broth needed for the test.

(ii) *Working standard and solutions.* Prepare a standard stock solution as described in subparagraph (3) of this paragraph, or dissolve a weighed portion of working standard in M/10 monopotassium phosphate buffer pH 4.5 to contain 10 micrograms per milliliter. Small aliquots, each sufficient for a day's test, if kept frozen, may be used for at least two months.

To prepare solutions for the standard curve, make further dilutions of the stock solution to contain 0.1 microgram and 0.2 microgram per milliliter respectively in phosphate buffer solution. To a triplicate series of 18 x 105 millimeter tubes add 0.1, 0.2, 0.3, 0.4, 0.5, 0.6, 0.7, 0.8, 0.9, and 1.0 milliliter respectively of the 0.1 microgram per milliliter solution, and to another triplicate series of tubes add 0.1, 0.2, 0.3, 0.4, and 0.5 milliliter, respectively, of the 0.2 microgram per milliliter solution. Adjust volumes of all tubes to 1.0 milliliter with buffer solution.

To prepare solutions for use in adjusting the photoelectric colorimeter, dilute the stock solution of the working standard to 1.0 microgram per milliliter and add 1.0 milliliter of this solution to each of 10 tubes. To another series of 10 tubes add 1.0 milliliter of the M/10 monopotassium phosphate buffer, pH 4.5.

To each of all the above tubes add 9.0 milliliters of inoculated broth described in subdivision (i) of this subparagraph and place immediately in a water bath at 37° C. for 3½ hours. Then add 0.5 milliliter of formalin diluted 1:3 to each tube.

(iii) *Preparation of sample.* Dilute sample under test with M/10 monopotassium phosphate buffer pH 4.5 to contain 0.06 microgram per milliliter (estimated). (The stock solution may be prepared in distilled water.) Add 1.0 milliliter of this dilution to each of three

18 x 150 millimeter tubes. Add 9.0 milliliters of inoculated broth described in subdivision (i) of this subparagraph to each tube and place immediately in a 37° C. water bath for 3½ hours. After incubation add 0.5 milliliter of formalin diluted 1:3 to each tube and read the percent light transmission in a photoelectric colorimeter, using a broad band filter having a light transmission of 5,800 Angstrom units.

(iv) *Estimation of potency.* Average the light transmission readings for each concentration of the standard. Plot these values on cross-section paper using average light transmission readings as the ordinate and aureomycin concentrations in micrograms per tube as the abscissa. Prepare the standard curve by connecting successive points with a straight edge. Since the final concentration of aureomycin per milliliter of broth is equivalent to the concentration per milliliter of the standard solution used, the latter concentrations for each concentration level of the standard may be expressed as percent and substituted on the abscissa of the standard curve. Thus the 0.06 microgram concentration is 100 percent, the 0.05 microgram concentration 83.3 percent, etc. If this is done the percent potency of the sample under test may be read directly from the standard curve.

(9) *Colorimetric assay.* In lieu of the assay methods described above, the sample may be assayed by the following colorimetric method: Prepare an aqueous solution of 0.5 microgram per milliliter of the sample to be assayed. Transfer two 2.0-milliliter aliquots to each of two 50-milliliter volumetric flasks. Add 5.0 milliliters of 2 N HCl to one flash and 5.0 milliliters of distilled water to the other flask as a control blank. Heat both flasks on a boiling water bath for 5 minutes, then cool the flasks under tap water, add 5.0 milliliters of 2 N HCl to the control blank and immediately make up to mark with distilled water. Transfer the solutions to 1.0-cm. colorimetric cells, set the photoelectric colorimeter at 100 percent light transmission for the blank, using a 440-m/u filter. Then replace this with the cell containing the unknown and read the percent transmission. Determine the concentration of the unknown solution by reference to a standard curve prepared by treating appropriate aliquots of a standard solution of pure aureomycin hydrochloride as described above.

(10) The potency of aureomycin is satisfactory, when assayed by the methods described in this section, if the immediate containers contain 85 percent of the number of grams they are represented to contain.

13. In § 141.202 *Aureomycin ointment*, paragraph (a) is amended to read as follows:

(a) *Potency.* Proceed as directed in § 141.201 (a), except subparagraph (10) thereof, and in lieu of the directions in subparagraphs (4) and (8) (iii) of § 141.201 (a) prepare the sample as follows: Accurately weigh the container and contents and place 0.5 to 1.0 gm. into a separatory funnel containing approximately 50 milliliters of peroxide-free ether. Reweigh the container to obtain weight of ointment used in the test. Shake ointment and ether until homogeneous. Shake with a 25-milliliter portion of the buffer solution. Remove the buffer layer and repeat the extraction with three 25-milliliter quantities of buffer. Combine the extracts and make the proper estimated dilutions in the buffer solution. The potency of aureomycin ointment is satisfactory if it contains not less than 85 percent of the number of milligrams it is represented to contain.

14. In § 141.203 *Aureomycin troches*, paragraph (a) is amended to read as follows:

(a) *Potency.* Proceed as directed in § 141.201 (a) except subparagraph (10) thereof, and in lieu of the directions in subparagraphs (4) and (8) (iii) of § 141.201 (a) prepare the sample as follows: Place 12 troches in a glass blending jar containing 500 milliliters of sterile distilled water. Using a high-speed blender, blend for 3 to 5 minutes and then make the proper estimated dilutions in the buffer solution. The average potency of the troches is satisfactory if it contains not less than 85 percent of the number of milligrams it is represented to contain.

15. In § 141.204 *Aureomycin capsules*, paragraph (a) *Potency* is amended by changing the figure "250 milliliters" to "500 milliliters."

16. In § 141.210 *Aureomycin dental paste*, paragraph (a) is amended to read as follows:

(a) *Potency.* Proceed as directed in § 141.203 (a), using an accurately weighed sample of approximately 2.0 grams and blend in 200 cubic centimeters of sterile distilled water. The potency of aureomycin dental paste is satisfactory if it contains not less than 85 percent of the number of milligrams it is represented to contain.

17. In § 141.301 *Chloramphenicol*, subparagraph (5) of paragraph (a) *Potency*, the last sentence is amended by changing the figure "1.5" to "1 to 1.5".

18a. In § 141.401 *Bacitracin*, paragraph (a) *Potency*, is amended by changing the words "sterile distilled water" to "1 percent phosphate buffer" wherever they appear.

b. In § 141.401, subparagraph (1) (iv) of paragraph (a) *Potency*, is amended by changing the figures "10" and "0.5" to read "25" and "0.3 to 0.5", respectively.

19. In § 141.402 *Bacitracin ointment*, the first sentence of paragraph (a) *Potency*, is amended by changing the comma after "§ 141.8 (a)," to a period and deleting the remaining words of the sentence.

20. In § 141.403 *Bacitracin tablets*, the first sentence of paragraph (a) *Potency*, is amended by changing the comma after "§ 141.9 (a)," to a period and deleting the remaining words of the sentence.

21. In § 146.1 *Definitions and interpretations*, paragraph (1) second sentence, is amended by changing the words "17 micrograms of the bacitracin master standard" to read "23.8 micrograms of the bacitracin master standard after it is dried for 3 hours at 60° C. and a pressure of 5 millimeters or less."

22. Part 146 is amended by adding the following new section:

§ 146.108 *Streptomycin syrup*—(a) *Standards of identity, strength, quality, and purity.* Streptomycin syrup is streptomycin dissolved in a suitable and harmless diluent that contains one or more suitable and harmless preservatives. Its potency is not less than 50 milligrams per milliliter. The streptomycin used conforms to the standards prescribed therefor by § 146.101 (a), except subparagraphs (2), (4), and (6) of that paragraph. Each other substance used, if its name is recognized in the U. S. P. or N. F., conforms to the standards prescribed therefor by such official compendium.

(b) *Packaging.* In all cases the immediate container shall be of colorless, transparent glass, so closed so as to be a tight container as defined by the U. S. P. and of such composition that will not cause any change in the strength, quality, or purity of the contents beyond any limit therefor in applicable standards, except that minor changes so caused which are normal and unavoidable in good packaging, storage, and distribution practice shall be disregarded.

(c) *Labeling.* Each package shall bear on its label or labeling as hereinafter indicated, the following:

(1) On the outside wrapper or container and the immediate container:

(i) The batch mark;

(ii) The number of milligrams of streptomycin in each milliliter of the batch;

(iii) The statement, "Expiration date _____," the blank being filled in with the date which is 12 months after the month during which the batch was certified; and

(iv) The name and quantity of each preservative used.

(2) On the outside wrapper or container:

(i) Unless it is intended solely for veterinary use and is conspicuously so labeled, the statement "Caution: To be dispensed only by or on the prescription of a _____," the blank being filled in with the word "physician" or "dentist" or "veterinarian" or with any combination of two or all of these words, as the case may be; and

(ii) Unless it is intended solely for veterinary use and is so labeled, a reference specifically identifying a readily available medical publication containing directions and precautions (including contraindications and possible sensitization) adequate for the use of such drug; or a reference to a brochure or other printed matter containing such directions and precautions and a statement that such brochure or printed matter will be sent on request.

(3) On the circular or other labeling within or attached to the package, if it is intended solely for veterinary use, directions and precautions adequate for the use of such syrup, including:

(i) Clinical indications;

(ii) Dosage and administration;

(iii) Contraindications; and

(iv) Untoward effects that may accompany administration.

(d) *Request for certification; samples.* (1) In addition to complying with the

requirements of § 146.2, a person who requests certification of a batch shall submit with his request a statement showing the batch mark, the number of packages of each size in such batch, the batch mark and (unless it was previously submitted) the date on which the latest assay of the streptomycin used in making the batch was completed, the potency per milliliter of the batch, the quantity of each ingredient used in making the batch, the date on which the latest assay comprising such batch was completed, and a statement that each ingredient used in making the batch conforms to the requirements prescribed therefor, if any, by this section.

(2) Except as otherwise provided in subparagraph (4) of this paragraph, such person shall submit in connection with his request results of the tests and assays listed after each of the following, made by him on an accurately representative sample of:

(i) The batch; average potency per milliliter.

(ii) The streptomycin used in making the batch; potency, toxicity, histamine content, and pH.

(3) Except as otherwise provided by subparagraph (4) of this paragraph, such person shall submit in connection with his request, in the quantities hereinafter indicated, accurately representative samples of the following:

(i) The batch; one immediate container for each 5,000 immediate containers in the batch, but in no case less than 5 immediate containers or more than 12 immediate containers, collected by taking single immediate containers at such intervals throughout the entire time of packaging the batch that the quantities packaged during the intervals are approximately equal.

(ii) The streptomycin used in making the batch; five packages containing approximately equal portions of not less than 0.5 gm. each packaged in accordance with the requirements of § 146.101 (b).

(iii) In case of an initial request for certification, each other ingredient used in making the batch; one package of each containing approximately 5 gm.

(4) No result referred to in subparagraph (2) (ii) of this paragraph, and no sample referred to in subparagraph (3) (ii) of this paragraph, is required if such result or sample has been previously submitted.

(e) *Fees.* The fee for the services rendered with respect to each batch of streptomycin syrup under the regulations in this part shall be:

(1) $4.00 for each package in the sample submitted in accordance with paragraph (d) (3) (i) and (iii) of this section; $10.00 for each package in the samples submitted in accordance with paragraph (d) (3) (ii) of this section; and

(2) If the Commissioner considers that investigations other than examinations of such packages are necessary to determine whether or not such batch complies with the requirements of § 146.3 for the issuance of a certificate, the cost of such investigations.

The fee prescribed by subparagraph (1) of this paragraph shall accompany the request for certification unless such fee is covered by an advance deposit maintained in accordance with § 146.8 (d).

This order, which provides for changes in the sterility test for sodium penicillin and penicillin in oil and wax; for changes in the potency test for penicillin sulfonamide powder, aluminum penicillin tablets, crystalline penicillin for inhalation therapy, ephedrine penicillinin, ephedrine penicillin tablets, aureomycin hydrochloride, aureomycin ointment, aureomycin troches, aureomycin capsules, aureomycin dental paste, chloramphenicol, bacitracin, bacitracin ointment, and bacitracin tablets; for changes in the potency, pyrogens, and toxicity tests for procaine penicillin and procaine penicillin for aqueous injection; for a change in the term "unit" as applied to bacitracin, and for the certification of a new streptomycin product, streptomycin syrup, shall become effective upon publication in the FEDERAL REGISTER, since both the public and the affected industries will benefit by the earliest effective date, and I so find.

Notice and public procedure are not necessary prerequisities to the promulgation of this order, and I so find, since it was drawn in collaboration with interested members of the affected industries and since it would be against public interest to delay providing for changes in the sterility test for sodium penicillin and penicillin in oil and wax; for changes in the potency test for penicillin sulfonamide powder, aluminum penicillin tablets, crystalline penicillin for inhalation therapy, ephedrine penicillin, ephedrine penicillin tablets, aureomycin hydrochloride, aureomycin ointment, aureomycin troches, aureomycin capsules, aureomycin dental paste, chloramphenicol, bacitracin, bacitracin ointment, and bacitracin tablets; for changes in the potency, pyrogens, and toxicity tests for procaine penicillin and procaine penicillin for aqueous injection; for a change in the term "unit" as applied to bacitracin, and for the certification of a new streptomycin product, streptomycin syrup.

(Sec. 701, 52 Stat. 1055; 21 U. S. C. 371. Interpret or apply sec. 507, 59 Stat. 463, as amended; 21 U. S. C. and Sup., 357)

Dated: October 20, 1950.

[SEAL] OSCAR R. EWING, *Administrator.*

[F. R. Doc. 50-9453; Filed, Oct. 25, 1950; 8:48 a. m.]

TITLE 24—HOUSING AND HOUSING CREDIT

Chapter VIII—Office of Housing Expediter

[Controlled Housing Rent Reg., Amdt. 295]

[Controlled Rooms in Rooming Houses and Other Establishments Rent. Reg., Amdt. 292]

PART 825—RENT REGULATIONS UNDER THE HOUSING AND RENT ACT OF 1947, AS AMENDED

CERTAIN STATES

Amendment 295 to the Controlled Housing Rent Regulation (§§ 825.1–12) and Amendment 292 to the Rent Regulation for Controlled Rooms in Rooming Houses and Other Establishments (§§ 825.81–92). Said rent regulations are amended in the following respects:

1. In Schedule C, Item 51, the description of localities affected by declarations for continuance of rent control after December 31, 1950, is amended to read as follows:

In Litchfield County, all unincorporated localities, if any, in the Towns of Plymouth, Thomaston and Watertown; and in New Haven County, the City of Waterbury and all unincorporated localities, if any, in the Towns of Beacon Falls, Cheshire, Middlebury, Naugatuck, Prospect, and Wolcott.

In the remainder of Litchfield County, the City of Torrington and all unincorporated localities, if any; and in New Haven County, all unincorporated localities, if any, in the Towns of Bethany, Oxford and Southbury.

This adds to Schedule C (1) the City of Torrington, Connecticut, in the Waterbury, Connecticut, Defense-Rental Area, based on a declaration made on September 28, 1950, by the local governing body of said City of Torrington in accordance with section 204 (f) (1) of the Housing and Rent Act of 1947, as amended, and (2) all unincorporated localities in said Defense-Rental Area, as of September 28, 1950, based on the declarations made by the Cities of Torrington and Waterbury, said Cities being the major portion of said Defense-Rental Area.

2. In Schedule C, Item 83, the description of localities affected by declarations for continuance of rent control after December 31, 1950, is amended to read as follows:

In Cook County, the Cities of Berwyn, Calumet City, Chicago and Evanston, the Villages of Arlington Heights, Bedford Park, Bellwood, Glencoe, Justice, Morton Grove, Niles, North Riverside, Oak Park, Park Forest, Riverside, Schiller Park and Summit, and all unincorporated localities; in Du Page County, the Village of Lombard and all unincorporated localities; in Kane County, the City of Aurora and all unincorporated localities; and in Lake County, the Cities of Highwood and Waukegan, the Villages of Antioch, Libertyville and Winthrop Harbor, and all unincorporated localities.

This adds to Schedule C the following localities in the State of Illinois, portions of the Chicago, Illinois, Defense-Rental Area, based on declarations made by local governing bodies on the dates specified below in accordance with section 204 (f) (1) of the Housing and Rent Act of 1947, as amended:

(1) The City of Highwood—August 4, 1950.

(2) The City of Aurora—August 31, 1950.

3. In Schedule C, Item 143, the description of localities affected by declarations for continuance of rent control after December 31, 1950, is amended to read as follows:

In Middlesex County, the City of Lowell and the Town of North Reading; in Norfolk County, the Towns of Stoughton and Westwood; and in Suffolk County, the Cities of Boston and Chelsea.

This adds to Schedule C the Town of Stoughton, Massachusetts, in the Eastern Massachusetts Defense-Rental Area, based on a declaration made on August 1, 1950 by the local governing body of

said Town in accordance with section 204 (f) (1) of the Housing and Rent Act of 1947, as amended.

4. In Schedule C, Item 159, the description of localities affected by declarations for continuance of rent control after December 31, 1950, is amended to read as follows:

In Carlton County, all unincorporated localities; and in St. Louis County, the Cities of Biwabik, Chisholm, Duluth, Ely and Eveleth, the Villages of Hibbing and Proctor, and all unincorporated localities.

This adds to Schedule C (1) the Cities of Ely and Eveleth and the Village of Hibbing, all in the State of Minnesota, portions of the Duluth-Superior, Minnesota, Defense-Rental Area, based on declarations made by their local governing bodies on October 3, 1950 in accordance with section 204 (f) (1) of the Housing and Rent Act of 1947, as amended, and (2) all unincorporated localities in said Defense-Rental Area, as of October 3, 1950, based on the declarations made by these and other incorporated localities constituting the major portion of said Defense-Rental Area.

5. In Schedule C, Item 188a, the description of localities affected by declarations for continuance of rent control after December 31, 1950, is amended to read as follows:

In Burlington County, the City of Burlington; in Camden County, the City of Camden, the Boroughs of Barrington, Chesilhurst, Haddon Heights, Lindelwold, Magnolia, Oaklyn, Runnemede and Woodlynne, and the Township of Berlin; and in Gloucester County, the Borough of Glassboro.

This adds to Schedule C the following localities in the State of New Jersey, portions of the Southern New Jersey Defense-Rental Area, based on declarations made by local governing bodies on the dates specified below in accordance with section 204 (f) (1) of the Housing and Rent Act of 1947, as amended:

(1) The Borough of Chesilhurst—September 7, 1950.
(2) The Borough of Barrington—September 12, 1950.

6. In Schedule C, Item 190, the description of localities affected by declarations for continuance of rent control after December 31, 1950, is amended to read as follows:

In Bergen County, the Cities of East Rutherford and North Arlington, the Boroughs of Closter, Fort Lee, Harrington Park, Palisades Park and Teterboro, the Township of Teaneck, and all unincorporated localities; in Essex County, the Cities of East Orange, Newark, and Orange, the Town of Belleville, and all unincorporated localities; in Hudson County, the Cities of Bayonne, Hoboken, Jersey City and Union City, the Town of West New York, the Township of North Bergen, and all unincorporated localities; in Middlesex County, the Cities of New Brunswick and Perth Amboy, the Boroughs of Highland Park and South River, and all unincorporated localities; in Monmouth County, the City of Long Branch, the Borough of Red Bank, and all unincorporated localities; in Morris County, the Borough of Wharton, the Town of Morristown, the Townships of Denville and Hanover, and all unincorporated localities; in Passaic County, the Cities of Clifton and Paterson, and all unincorporated localities; in Somerset County, the Borough of Raritan, and all unincorporated localities; and in Union County, the Cities of Linden and Rahway, the Boroughs of Garwood, Roselle and Roselle Park, and all unincorporated localities.

This adds to Schedule C the following localities in the State of New Jersey, portions of the Northeastern New Jersey Defense-Rental Area, based on declarations made by local governing bodies on the dates specified below in accordance with section 204 (f) (1) of the Housing and Rent Act of 1947, as amended:

(1) The Borough of Wharton—August 29, 1950.
(2) The Town of Morristown—September 11, 1950.
(3) The Boroughs of Harrington Park and Raritan—September 18, 1950.
(4) The Borough of Highland Park—October 2, 1950.
(5) The Cities of New Brunswick and Orange and the Township of Teaneck—October 3, 1950.
(6) The City of Paterson and the Township of Denville—October 4, 1950.
(7) All unincorporated localities in the Defense-Rental Area which are added to Schedule C as of October 4, 1950 by virtue of the fact that declarations have been made on that date and prior dates by incorporated localities constituting the major portion of the Defense-Rental Area.

7. In Schedule C, Item 241, the description of localities affected by declarations for continuance of rent control after December 31, 1950, is amended to read as follows:

In Mahoning County, the Cities of Struthers and Youngstown.

This adds to Schedule C the City of Struthers, Ohio, in the Youngstown-Warren, Ohio, Defense-Rental Area, based on a declaration made on October 4, 1950 by the local governing body of said City of Struthers in accordance with section 204 (f) (1) of the Housing and Rent Act of 1947, as amended.

8. In Schedule C, Item 258, the description of localities affected by declarations for continuance of rent control after December 31, 1950, is amended to read as follows:

In Somerset County, the Boroughs of Garrett and Meyersdale.

This adds to Schedule C the Borough of Garrett, Pennsylvania, a portion of the Altoona-Johnstown, Pennsylvania, Defense-Rental Area, based on a declaration made on October 9, 1950 by the local governing body of said Borough in accordance with section 204 (f) (1) of the Housing and Rent Act of 1947, as amended.

9. In Schedule C, Item 267, the description of localities affected by declarations for continuance of rent control after December 31, 1950, is amended to read as follows:

In Allegheny County, the Cities of Clairton, McKeesport and McKee's Rocks, the Boroughs of Braddock, Carnegie, East McKeesport, East Pittsburgh, Glassport, Homestead, Liberty, Munhall, Sharpsburg, Versailles, Wall and West Homestead, and the Townships of Reserve and West Deer; in Beaver County, the Boroughs of Aliquippa, Ambridge and Bridgewater; in Fayette County, the Borough of Masontown; in Washington County, the Boroughs of Canonsburg and West Brownsville, and the Township of North Strabane; and in Westmoreland County, the Cities of Arnold, Monessen and New Kensington, and the Boroughs of East Vandergrift and Manor.

This adds to Schedule C the following localities in the State of Pennsylvania, portions of the Pittsburgh, Pennsylvania, Defense-Rental Area based on declarations made by local governing bodies on the dates specified below in accordance with section 204 (f) (1) of the Housing and Rent Act of 1947, as amended:

(1) The Borough of Liberty—September 5, 1950.
(2) The Township of Reserve—September 11, 1950.
(3) The Borough of Masontown—September 12, 1950.
(4) The Borough of Munhall and the City of New Kensington—September 19, 1950.
(5) The Borough of Wall—October 2, 1950.
(6) The Boroughs of East McKeesport and West Brownsville—October 3, 1950.
(7) The Township of West Deer—October 5, 1950.
(8) The Boroughs of Bridgewater, Glassport and Versailles—October 9, 1950.
(9) The City of Clairton and the Borough of Canonsburg—October 10, 1950.

10. In Schedule C, Item 269a, the description of localities affected by declarations for continuance of rent control after December 31, 1950, is amended to read as follows:

In Carbon County, the Boroughs of Lansford and Weatherly; in Lackawanna County, the Borough of Jermyn.

This adds to Schedule C the following localities in the State of Pennsylvania, portions of the Scranton-Wilkes-Barre, Pennsylvania, Defense-Rental Area, based on declarations made by local governing bodies on the dates specified below in accordance with section 204 (f) (1) of the Housing and Rent Act of 1947, as amended:

(1) The Borough of Jermyn—October 2, 1950.
(2) The Borough of Lansford—October 3, 1950.

11. In Schedule C, Item 359, the description of localities affected by declarations for continuance of rent control after December 31, 1950, is amended to read as follows:

In Jefferson County, the City of Steubenville and the Villages of Tiltonsville and Yorkville.

This adds to Schedule C the Village of Tiltonsville, Ohio, a portion of the Wheeling-Steubenville, West Virginia, Defense-Rental Area based on a declaration made on September 19, 1950 by the local governing body of said Village in accordance with section 204 (f) (1) of the Housing and Rent Act of 1947, as amended.

12. In Schedule C, Item 371, the description of localities affected by declarations for continuance of rent control after December 31, 1950, is amended to read as follows:

In Puerto Rico, the Municipalities of Adjuntas, Aguada, Aguadilla, Aguas Buenas, Aibonito, Arecibo, Barranquitas, Caguas, Camuy, Carolina, Catano, Cayey, Cidra, Coamo, Comerio, Corozal, Fajardo, Guayama, Hatillo, Humacao, Isabella, Juana Diaz, Lajas, Loiza, Luquillo, Manati, Mayaguez, Naranjito, Ponce, Quebradillas, Rincon, Rio Piedras, Sabana Grande, Salinas, San German, San Lorenza, San Sebastian, Toa Alta, Toa Baja, Trujillo Alto, Utuado, Vega Baja and Villalba.

This adds to Schedule C the following municipalities in Puerto Rico, por-

tions of the Puerto Rico Defense-Rental Area, based on declarations made by local governing bodies on the dates specified below in accordance with section 204 (f) (1) of the Housing and Rent Act of 1947, as amended:

(1) Ricon—August 17, 1950.
(2) Guayama—August 28, 1950.
(3) Salinas—August 31, 1950.
(4) Toa Baja—September 6, 1950.
(5) Fajardo—September 9, 1950.
(6) Aguada and Coamo—September 12, 1950.
(7) Ponce—September 15, 1950.
(8) Juana Diaz and Trujillo Alto—September 21, 1950.
(9) Barranquitas and Comerio—September 22, 1950.
(10) Arecibo—September 25, 1950.
(11) Aguas Buenas and Lajas—September 26, 1950.
(12) Aguadilla—September 27, 1950.
(13) Humacao and Mayaguez—September 29, 1950.
(14) Manati—October 2, 1950.

13. The following news items are incorporated in Schedule C:

Name of defense-rental area	State	Localities affected by declarations for continuation of rent control after Dec. 31, 1950
(47) Bridgeport	Connecticut	In Fairfield County, the city of Stamford.
(110b) Ames-Marshalltown	Iowa	Marshall County, the city of Marshalltown and in Story County, the town of Maxwell.
(144) Essex County	Massachusetts	In Essex County, the town of Hamilton.
(236a) Portsmouth	Ohio	In Scioto County, the city of New Boston.
(270) Sharon-Farrell	Pennsylvania	In Mercer County, the city of Sharon.

This addition to Schedule C is based upon declarations made on the dates specified below in accordance with section 204 (f) (1) of the Housing and Rent Act of 1947, as amended, by the local governing bodies of the following localities:

(1) The Town of Maxwell, Iowa—September 18, 1950.
(2) The City of Stamford, Connecticut—October 2, 1950.
(3) The Cities of New Boston, Ohio, and Sharon, Pennsylvania—October 3, 1950.
(4) The City of Marshalltown, Iowa, and the Town of Hamilton, Massachusetts—October 9, 1950.

(Sec. 204, 61 Stat. 197, as amended; 50 U. S. C. App. Supp. 1894)

This amendment shall be effective with respect to each locality covered thereby as of the date on which the declaration affecting that locality was made.

Issued this 23d day of October 1950.

ED DUPREE,
Acting Housing Expediter.

[F. R. Doc. 50-9455; Filed, Oct. 25, 1950; 8:49 a. m.]

TITLE 32A—NATIONAL DEFENSE, APPENDIX

Chapter I—National Production Authority, Department of Commerce

[NPA Reg. 2, as Amended, Interpretation 1]

PART 11—BASIC RULES OF THE PRIORITIES SYSTEM

CERTAIN CONTAINERS, PACKAGING AND CHEMICALS

The following interpretation is issued to NPA Regulation 2, as amended, October 12, 1950:

§ 11.100 *Certain containers, packaging and chemicals.* (a) The authority to apply ratings under the priorities system established by this part (NPA Reg. 2) to direct contracts and purchase orders for certain purposes has been delegated, subject to stated limitations, to the Secretary of Defense and the Atomic Energy Commission (NPA Delegations 1 and 2). However, this part (Reg. 2) does not apply to the items specified in § 11.31 (List A), including Petroleum and Food. The Secretary of Defense and the Atomic, Energy Commission may not therefore, apply a rating to a purchase order for Petroleum or Food.

(b) In addition, the Secretary of Defense and the Atomic Energy Commission have been authorized by the same delegations to assign the right to apply ratings to persons placing orders for materials to be delivered to the Department of Defense and to the Commission, respectively. The "Assignment" of a rating is defined by § 11.2 (e) of Reg. 2 as follows:

A rating is assigned when the NPA, or a government agency that it has authorized, grants a person the right to use the rating.

(c) In view of the Delegations of Authority mentioned and of the provisions of this part (Reg. 2), the Secretary of Defense and the Atomic Energy Commission, and their respective authorized representatives, may assign to their suppliers of Petroleum and Food the right to apply ratings to get the drums, cans and other containers and packaging required for the delivery of the Petroleum and Food, and to get chemicals required for use (i) directly in the production of the Petroleum and Food, or (ii) in processing the Petroleum and Food and which will be consumed or converted into by-products in the course of the processing. These ratings may not be used to get containers, packaging or chemicals, in excess of the minimum quantities required to fill such orders for Petroleum and Food.

(1) *Illustration 1.* The Department of the Navy places an order with the X Refining Company for 500 drums of gasoline. This is not a rated order. An authorized Navy representative may assign to the X Company the right to apply a rating to get the drums required for delivery of the 500 drums of gasoline.

(2) *Illustration 2.* The Department of the Army places an order with the X Company for 100 bbls. of flour. This is not a rated order. An authorized Army representative may assign to the X Company the right to apply a rating to get the packages or containers required for the delivery of the 100 bbls. of flour.

(3) *Illustration 3.* The Department of the Air Force places an order with the Z Refining Company for 100 cans of lubricating oil. This is not a rated order. The Z Company requires two types of chemicals to be used in filling this order: (i) A chemical to be directly used in the production of the oil, and (ii) a chemical that will be consumed or converted into by-products in the course of processing the oil. An authorized representative of the Air Force may assign to the Z Company the right to apply a rating to get the chemicals so required.

(Sec. 704, Pub. Law 774, 81st Cong. Interprets or applies sec. 101, Pub. Law 774, 81st Cong.; sec. 101, E. O. 10161, Sept. 9, 1950, 15 F. R. 6105)

This interpretation shall take effect October 20, 1950.

NATIONAL PRODUCTION AUTHORITY,
W. H. HARRISON,
Administrator.

[F. R. Doc. 50-9486; Filed, Oct. 25, 1950; 8:45 a. m.]

TITLE 39—POSTAL SERVICE

Chapter I—Post Office Department

PART 1—ESTABLISHMENT AND ORGANIZATION OF THE POST OFFICE DEPARTMENT

MISCELLANEOUS AMENDMENTS

a. In § 1.9 *Office of the Postmaster General* (39 CFR 1.9) as amended (15 F. R. 4683) make the following changes:

1. Amend the second sentence in paragraph (e) (1) by inserting "serving as the Postmaster General's liaison officer with the Government Patents Board (established by Executive Order No. 10096 of January 23, 1950) in all matters involving inventions of postal personnel and inventions of other Government Employees of interest to the Post Office Department;" after the clause "making recommendations for the introduction of new types of management, methods, procedures, standards, equipment, supplies, means, and devices for use in such service in order that the business of the Department may be more efficiently and economically operated".

2. Amend paragraph (k) (1) by inserting the following before the last sentence: "The Purchasing Agent shall serve as the Postmaster General's liaison officer with the National Bureau of Standards, the General Services Administration, and the Department of Commerce on matters relating to supplies."

b. In § 1.11 *Bureau of Transportation* (39 CFR 1.11) as amended (15 F. R. 4688), amend the second sentence in paragraph (a) by inserting "serving as the Postmaster General's liaison officer with the Treasury Department on matters relating to customs treatment of the mails;" after the clause "the consideration and preparation of replies to inquiries relating to the international postal service (except those falling within the jurisdiction of the Chief Post Office Inspector)".

(R. S. 161, 396, secs. 304, 309, 42 Stat. 24, 25, Reorg. Plan No. 3 of 1949, 14 F. R. 5227, 3 CFR, 1949 Supp., 63 Stat. 1066; 5 U. S. C. 22, 369, 5 U. S. C. Sup., 133z-15)

[SEAL] V. C. BURKE,
Acting Postmaster General.

[F. R. Doc. 50-9433; Filed, Oct. 25, 1950; 8:48 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF AGRICULTURE

Bureau of Animal Industry

[9 CFR, Part 72]

FLORIDA

RELEASE FROM SPLENETIC FEVER CATTLE QUARANTINE

Notice is hereby given in accordance with section 4 of the Administrative Procedure Act (5 U. S. C. 1003) that the Secretary of Agriculture, pursuant to section 6 of the act of May 29, 1884, as amended, and sections 1 and 3 of the act of March 3, 1905, as amended and extended (21 U. S. C. 115, 123 and 125), proposes to modify § 72.2 and delete § 72.3 of the regulations relating to Splenetic Fever in Cattle (9 CFR 1949 Supp. 72.2 and 72.3) so as to release the State of Florida from the quarantine imposed because of said disease.

Any interested person who wishes to submit written data, views, or arguments concerning the proposed amendment, may do so by filing them with the Chief of the Bureau of Animal Industry, United States Department of Agriculture, Washington 25, D. C., within ten days after publication of this notice in the FEDERAL REGISTER.

Done at Washington, D. C., this 20th day of October 1950.

[SEAL] K. T. HUTCHINSON,
Acting Secretary of Agriculture.

[F. R. Doc. 50-9441; Filed, Oct. 25, 1950; 8:47 a. m.]

Production and Marketing Administration

[P. & S. Docket No. 1558]

MISSISSIPPI VALLEY STOCKYARDS, INC., ST. LOUIS, MO.

NOTICE OF PETITION FOR MODIFICATION

Pursuant to the provisions of the Packers and Stockyards Act, 1921, as amended (7 U. S. C. 181 et seq.), an order was issued in this proceeding on June 14, 1949, effective June 25, 1949 (8 A. D. 681) authorizing the assessment of certain charges for stockyard services. Subsequently an order dated January 17, 1950, effective March 6, 1950, (9 A. D. 2) extending the authorization to and including September 5, 1951, was issued.

By a petition filed on October 13, 1950, the respondent has requested authority to file an amendment to its current tariff establishing rates for yardage services as indicated under the heading "Proposed Rates" in the tabulation below:

Yardage on all classes of original receipts and re-sales in commission division:

	Current rates (per head)	Proposed rates (per head)
Bulls	$1.00	$1.00
Cattle	.70	.75
Calves (400 pounds or under)	.43	.46
Hogs	.25	.27
Sheep and goats	.16	.18
Horses and mules	.50	.50

Livestock consigned direct to packers:

	Current rates (per head)	Proposed rates (per head)
Bulls	$0.50	$0.50
Cattle	.35	.37
Calves (400 pounds or under)	.22	.23
Hogs	.13	.14
Sheep and goats	.08	.09

Livestock resold by commission firms:

Bulls	$1.00	$1.00
Cattle	.70	.75
Calves (400 pounds or under)	.43	.46
Hogs	.25	.27
Sheep and goats	.16	.18

Livestock resold on the local market by dealers:

Bulls	$0.24	$0.24
Cattle	.18	.19
Calves (400 pounds or under)	.12	.13
Hogs	.06	.07
Sheep and goats	.04	.05

Livestock resold by dealer and shipped:

Bulls	$0.11	$0.11
Cattle	.08	.09
Calves (400 pounds or under)	.05	.06
Hogs	.03	.04
Sheep and goats	.03	.04

The authorization, if granted, will produce additional revenue for the respondent and increase marketing costs to shippers. Accordingly, this notice of the petition for modification is given to the public.

All interested persons who wish to be heard upon the matter shall notify the Hearing Clerk, United States Department of Agriculture, Washington 25, D. C., within 15 days after the publication of this notice.

Done at Washington, D. C., this 20th day of October 1950.

[SEAL] KATHERINE L. MASON,
Hearing Clerk.

[F. R. Doc. 50-9439; Filed, Oct. 25, 1950; 8:47 a. m.]

[7 CFR, Part 928]

[Docket No. AO-227]

HANDLING OF MILK IN NEOSHO VALLEY (KANSAS-MISSOURI) MILK MARKETING AREA

NOTICE OF HEARING ON PROPOSED MARKETING AGREEMENT AND ORDER

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.) and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), notice is hereby given of a public hearing to be held at the Municipal Auditorium, Chanute, Kansas, beginning at 10:00 a. m., November 13, 1950. This public hearing is for the purpose of receiving evidence with respect to a proposed marketing agreement and order regulating the handling of milk in the Neosho Valley (Kansas-Missouri) marketing area, the provisions of which are hereinafter set forth, and any modifications thereof. The proposed marketing agreement and order have not received the approval of the Secretary of Agriculture, and at the hearing evidence will be received relative to all aspects of the marketing conditions which are dealt with by the proposed marketing agreement and order and any modification thereof. The provisions of the proposals for a marketing agreement and order, heretofore filed with the undersigned, are as follows:

Marketing agreement and order proposed by the Southeast Kansas Grade A Milk Producers Association, Chanute, Kansas:

DEFINITIONS

§ 928.1 *Act.* "Act" means Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.).

§ 928.2 *Secretary.* "Secretary" means the Secretary of Agriculture or other officer or employee of the United States authorized to exercise the powers or to perform the duties of the said Secretary of Agriculture.

§ 928.3 *Department.* "Department" means the United States Department of Agriculture or such other Federal agency as is authorized to perform the price reporting functions specified herein.

§ 928.4 *Person.* "Person" means any individual, partnership, corporation, association, or any other business unit.

§ 928.5 *Cooperative association.* "Cooperative association" means any cooperative marketing association which the Secretary determines, after application by the association:

(a) To be qualified under the provisions of the Act of Congress of February 18, 1922, as amended, known as the "Capper-Volstead Act"; and,

(b) To have full authority in the sale of milk of its members and to be engaged in making collective sales of or marketing milk or its products for its members.

§ 928.6 *Neosho Valley marketing area.* "Neosho Valley marketing area", hereinafter called the marketing area, means all of the area located within the city limits of Pittsburg, Parsons, Independence, Coffeyville, Fort Scott, Iola, and Chanute, all in the State of Kansas, and all of the area within the city limits of Joplin, Carthage and Neosho, all in the State of Missouri.

§ 928.7 *Approved plant.* "Approved plant" means a milk processing plant which has been approved by a municipal or state health authority having jurisdiction in the marketing area or by a Federal agency located in the marketing area and from which milk, skim milk, buttermilk, flavored milk drinks or cream is disposed of for fluid consumption in the marketing area on

wholesale or retail routes (including plant stores).

§ 928.8 *Unapproved plant.* "Unapproved plant" means any milk processing or distributing plant which is not an approved plant.

§ 928.9 *Handler.* "Handler" means (a) any person in his capacity as the operator of an approved plant, or (b) any cooperative association, with respect to the milk of any producer which it caused to be diverted to an unapproved plant for the account of such cooperative association.

§ 928.10 *Producer.* "Producer" means any person, irrespective of whether such person is also a handler, who produces milk which is received at an approved plant: *Provided*, That such milk is produced under a dairy farm permit or rating issued by a municipal or state health authority having jurisdiction in the marketing area for the production of milk to be disposed of for consumption as Grade A milk or which is acceptable to a Federal Agency. This definition shall include any such person who is regularly classified as a producer but whose milk is caused to be diverted to an unapproved plant by a handler and milk so diverted shall be deemed to have been received at an approved plant by the handler who caused it to be diverted. This definition shall not include a person with respect to milk produced by him which is received by a handler who is subject to another Federal marketing order and who is partially exempted from the provisions of this order pursuant to § 928.61.

§ 928.11 *Producer milk.* "Producer milk" means all skim milk and butterfat in milk produced by a producer, other than a producer-handler, which is purchased or received by a handler either directly from producers or from other handlers.

§ 928.12 *Other source milk.* "Other source milk" means all skim milk and butterfat other than that contained in producer milk.

§ 928.13 *Producer-handler.* "Producer-handler" means any person who is both a producer and a handler and who receives no milk from other producers.

MARKET ADMINISTRATOR

§ 928.20 *Designation.* The agency for the administration hereof shall be a market administrator, selected by the Secretary, who shall be entitled to such compensation as may be determined by, and shall be subject to removal at the discretion of the Secretary.

§ 928.21 *Powers.* The market administrator shall have the following powers with respect to this order:

(a) To administer the terms and provisions hereof;

(b) To receive, investigate, and report to the Secretary complaints of violations hereof;

(c) To make rules and regulations to effectuate the terms and provisions hereof; and,

(d) To recommend to the Secretary amendments hereto.

§ 928.22 *Duties.* The market administrator shall perform all duties necessary to administer the terms and provisions hereof, including but not limited to the following:

(a) Within 30 days following the date on which he enters upon his duties, or such lesser period as may be prescribed by the Secretary, execute and deliver to the Secretary a bond, effective as of the date upon which he enters upon such duties, in an amount and with surety thereon satisfactory to the Secretary;

(b) Employ and fix the compensation of such persons as may be necessary to enable him to administer the terms and provisons hereof;

(c) Obtain a bond in a reasonable amount and with reasonable surety thereon covering each employee who handles funds entrusted to the market administrator;

(d) Pay out of the funds provided by § 928.87 the cost of his bond and those of his employees, his own compensation, and all other expenses (except those incurred under § 928.86) necessarily incurred by him in the maintenance and functioning of his office and in the performance of his duties;

(e) Keep such books and records as will clearly reflect the transactions provided for herein, and, upon request by the Secretary, surrender the same to such other person as the Secretary may designate;

(f) Submit his books and records to examination by the Secretary and furnish such information and reports as may be requested by the Secretary;

(g) Audit all reports and payments by each handler by inspection of such handler's records and of the records of any other handler or person upon whose utilization the classification of skim milk or butterfat for such handler depends;

(h) Publicly announce at his discretion, unless otherwise directed by the Secretary, by posting in a conspicuous place in his office and by such other means as he deems appropriate, the name of any person who, within 10 days after the date upon which he is required to perform such acts, has not made (1) reports pursuant to §§ 928.30 to 928.32, or (2) payments pursuant to §§ 928.80 to 928.87.

(i) On or before the 12th day after the end of each month report to each cooperative association which so requests the utilization of the milk caused to be delivered by such cooperative association, either directly or from producers who are members of such cooperative association, to each handler to whom the cooperative association sells milk. For purposes of this report, the milk caused to be so delivered by a cooperative association shall be prorated to each class in the proportion that the total receipts of producer milk by such handler were used in each class;

(j) Publicly announce by posting in a conspicuous place in his office and by such other means as he deems appropriate the prices determined for each month as follows:

(1) On or before the 5th day of each month the minimum price for Class I milk computed pursuant to § 928.51 (a) and the Class I butterfat differential computed pursuant to § 928.52 (a) both for the current month and the minimum price for Class II milk computed pursuant to § 928.51 (b) and the Class II butterfat differential computed pursuant to § 928.52 (b), both for the previous month, and

(2) On or before the 12th day of each month the uniform price computed pursuant to § 928.71 and the butterfat differential computed pursuant to § 928.81, both for the previous month; and

(k) Prepare and disseminate to the public such statistics and information as he deems advisable and as do not reveal confidential information.

REPORTS, RECORDS AND FACILITIES

§ 928.30 *Reports of receipts and utilization.* On or before the 7th day after the end of the month each handler, except a producer-handler, shall report to the market administrator in the detail and on forms prescribed by the market administrator as follows:

(a) The quantities of skim milk and butterfat contained in milk received from producers;

(b) The quantities of skim milk and butterfat contained in (or used in the production of) receipts from other handlers;

(c) The quantities of skim milk and butterfat contained in receipts of other source milk (except Class II products disposed of in the form in which received without further processing or packaging by the handler);

(d) The utilization of all skim milk and butterfat required to be reported pursuant to this section;

(e) The disposition of Class I products on routes wholly outside the marketing area; and,

(f) Such other information with respect to receipts and utilization as the market administrator may prescribe.

§ 928.31 *Payroll reports.* On or before the 20th day of each month each handler shall submit to the market administrator his producer payroll for the preceding month which shall show (a) the total pounds of milk received from each producer and cooperative association and the total pounds of butterfat contained in such milk; (b) the amount of payment to each producer and cooperative association; and, (c) the nature and amount of any deductions or charges involved in such payments.

§ 928.32 *Other reports.* (a) Each producer-handler shall make reports to the market administrator at such time and in such manner as the market administrator may prescribe.

(b) Each handler who causes milk to be diverted to an unapproved plant shall, prior to such diversion, report to the market administrator and to the cooperative association of which such producer is a member, his intention to divert such milk, the proposed date or dates of such diversion, and the plant to which such milk is to be diverted.

§ 928.33 *Records and facilities.* Each handler shall maintain and make available to the market administrator or to his representative during the usual hours of business such accounts and

records of his operations and such facilities as are necessary for the market administrator to verify or establish the correct data with respect to:

(a) The receipts and utilization of all receipts of producer milk and other source milk;

(b) The weights and tests for butterfat and other content of all milk, skim milk, cream and milk products handled;

(c) Payments to producers and cooperative associations; and,

(d) The pounds of skim milk and butterfat contained in or represented by all milk, skim milk, cream and milk products on hand at the beginning and end of each month.

§ 928.34 *Retention of records.* All books and records required under this order to be made available to the market administrator shall be retained by the handler for a period of three years to begin at the end of the calendar month to which such books and records pertain: *Provided,* That if, within such three year period, the market administrator notifies the handler in writing that the retention of such books and records, or of specified books and records, is necessary in connection with a proceeding under section 8c (15) (a) of the act or a court action specified in such notice, the handler shall retain such books and records, or specified books and records, until further written notification from the market administrator. In either case, the market administrator shall give further written notification to the handler promptly, upon the termination of the litigation or when the records are no longer necessary in connection therewith.

CLASSIFICATION

§ 928.40 *Skim milk and butterfat to be classified.* All skim milk and butterfat received within the month by a handler and which is required to be reported pursuant to § 928.30 shall be classified by the market administrator pursuant to the provisions of §§ 928.41 to 928.46.

§ 928.41 *Classes of utilization.* Subject to the conditions set forth in §§ 928.43 and 928.44, the classes of utilization shall be as follows:

(a) Class I milk shall be all skim milk (including reconstituted skim milk) and butterfat disposed of in the form of milk, skim milk, buttermilk, flavored milk, flavored milk drinks, cream, cultured sour cream, aerated products containing milk or cream, any mixture (except bulk ice cream mix) of cream and milk or skim milk, cottage cheese, and all skim milk and butterfat not specifically accounted for under paragraph (b) of this section;

(b) Class II milk shall be all skim milk and butterfat (1) used to produce any product other than those specified in paragraph (a) of this section, (2) disposed of for livestock feed, (3) in shrinkage up to one percent of receipts from producers, (4) in shrinkage of other source milk, and (5) in inventory variations of milk, skim milk and cream.

§ 928.42 *Shrinkage.* The market administrator shall allocate shrinkage over a handler's receipts as follows:

(a) Compute the total shrinkage of skim milk and butterfat for each handler; and,

(b) Prorate the resulting amounts between the receipts of skim milk and butterfat in producer milk and in other source milk.

§ 928.43 *Responsibility of handlers and reclassification of milk.* (a) All skim milk and butterfat shall be Class I milk unless the handler who first receives such skim milk or butterfat can prove to the market administrator that such skim milk or butterfat should be classified otherwise.

(b) Any skim milk or butterfat (except that transferred to a producer-handler) shall be reclassified if verification by the market administrator discloses that the original classification was incorrect.

§ 928.44 *Transfers.* Skim milk or butterfat disposed of by a handler either by transfer or diversion shall be classified:

(a) As Class I milk if transferred or diverted in the form of milk, skim milk or cream, to the approved plant of another handler (except a producer-handler) unless utilization in Class II is mutually indicated in writing to the market administrator by both handlers on or before the 7th day after the end of the month within which such transaction occurred: *Provided,* That the skim milk or butterfat so assigned to Class II shall be limited to the amount thereof remaining in Class II in the plant of the transferee-handler, after the subtraction of other source milk pursuant to § 928.46, and any additional amounts of such skim milk or butterfat shall be assigned to Class I: *And provided further,* That if either or both handlers have received other source milk, the skim milk or butterfat so transferred or diverted shall be classified at both plants so as to allocate the greatest possible Class I utilization to producer milk.

(b) As Class I milk if transferred or diverted to a producer-handler in the form of milk, skim milk or cream.

(c) As Class I milk if transferred or diverted in the form of milk or skim milk to an unapproved plant located more than 200 miles from the approved plant by the shortest highway distance as determined by the market administrator.

(d) As Class I milk if transferred in the form of cream under Grade A certification to an unapproved plant located more than 200 miles from the approved plant and as Class II milk if so transferred without Grade A certification.

(e) (1) As Class I milk if transferred or diverted in the form of milk, skim milk or cream to an unapproved plant located not more than 200 miles from the approved plant, and from which fluid milk is disposed of on wholesale or retail routes unless all the following conditions are met:

(i) The market administrator is permitted to audit the records of such unapproved plant; and,

(ii) Such unapproved plant receives milk from dairy farmers who the market administrator determines constitute its regular source of supply for Class I milk.

(2) If these conditions are met the market administrator shall classify such milk as reported by the handler subject to verification as follows: (i) Determine the use of all skim milk and butterfat at such unapproved plant; and (ii) allocate the skim milk and butterfat so transferred or diverted to the highest use classification remaining after subtracting in series beginning with the highest use classification, the skim milk and butterfat in milk received at the unapproved plant direct from dairy farmers.

(f) As Class II milk if transferred or diverted in the form of milk, skim milk or cream to an unapproved plant located not more than 200 miles from the approved plant and from which fluid milk is not disposed of on wholesale or retail routes.

§ 928.45 *Computation of the skim milk and butterfat in each class.* For each month, the market administrator shall correct for mathematical and for other obvious errors the report of receipts and utilization submitted by each handler and shall compute the pounds of skim milk and butterfat in Class I milk and Class II milk for such handler.

§ 928.46 *Allocation of skim milk and butterfat classified.* After making the computations pursuant to § 928.45, the market administrator shall determine the classification of milk received from producers as follows:

(a) Skim milk shall be allocated in the following manner:

(1) Subtract from the total pounds of skim milk in Class II the pounds of skim milk determined pursuant to § 928.41 (b) (3);

(2) Subtract from the remaining pounds of skim milk in Class II the pounds of skim milk in other source milk: *Provided,* That if the receipts of skim milk in other source milk are greater than the remaining pounds of skim milk in Class II, an amount equal to the difference shall be subtracted from the pounds of skim milk in Class I;

(3) Subtract from the remaining pounds of skim milk in each class the skim milk received from other handlers according to its classification as determined pursuant to § 928.44 (a);

(4) Add to the remaining pounds of skim milk in Class II the pounds of skim milk subtracted pursuant to subparagraph (1) of this paragraph; and,

(5) If the remaining pounds of skim milk in both classes exceed the pounds of skim milk received from producers, an amount equal to the difference shall be subtracted from the pounds of skim milk remaining in each class in series beginning with Class II. Any amount so subtracted shall be called "overage."

(b) Butterfat shall be allocated in accordance with the same procedure outlined for skim milk in paragraph (a) of this section.

(c) Determine the weighted average butterfat content of the Class I and Class II milk computed pursuant to paragraphs (a) and (b) of this section.

MINIMUM PRICES

§ 928.50 *Basic formula price to be used in determining Class I price.* The basic formula price to be used in determining the price per hundredweight of Class I milk shall be the highest of the prices computed pursuant to paragraphs (a) and (b) of this section and § 928.51 (b) for the preceding month.

(a) The average of the basic or field prices per hundredweight reported to have been paid or to be paid for milk of 3.5 percent butterfat content received from farmers during the month at the following plants or places for which prices have been reported to the market administrator or to the Department.

Present Operator and Location

Borden Co., Mount Pleasant, Mich.
Carnation Co., Sparta, Mich.
Pet Milk Co., Hudson, Mich.
Pet Milk Co., Wayland, Mich.
Pet Milk Co., Coopersville, Mich.
Borden Co., Greenville, Wis.
Borden Co., Black Creek, Wis.
Borden Co., Orfordville, Wis.
Borden Co., New London, Wis.
Carnation Co., Chilton, Wis.
Carnation Co., Berlin, Wis.
Carnation Co., Richland Center, Wis.
Carnation Co., Oconomowoc, Wis.
Carnation Co., Jefferson, Wis.
Pet Milk Co., New Glarus, Wis.
Pet Milk Co., Belleville, Wis.
White House Milk Co., Manitowoc, Wis.
White House Milk Co., West Bend, Wis.

divided by 3.5 and multiplied by 4.

(b) The price per hundredweight computed by adding together the plus values pursuant to subparagraphs (1) and (2) of this paragraph:

(1) From the simple average, as computed by the market administrator, of the daily wholesale selling prices (using the midpoint of any price range as one price) of Grade A (92-score) bulk creamery butter per pound at Chicago as reported by the Department during the month, subtract 2 cents, add 20 percent thereof, and multiply by 4.0.

(2) From the simple average, as computed by the market administrator, of the weighted averages of carlot prices per pound for non-fat dry milk solids, spray, and roller process, respectively, for human consumption, f. o. b. manufacturing plants in the Chicago area, as published for the period from the 26th day of the immediately preceding month through the 25th day of the current month by the Department, deduct 5.5 cents, multiply by 8.5 and then multiply by 0.96.

§ 928.51 *Class prices.* Subject to the provisions of § 928.52, the minimum prices for hundredweight to be paid by each handler for milk received at his plant from producers during the month shall be as follows:

(a) *Class I milk.* The basic formula price plus $1.25 during the months of April, May, and June, and plus $1.65 during all other months: *Provided*, That for each of the months of September, October, November, and December, such price shall be not less than that for the preceding delivery period, and that for each of the months of April, May, and June, such price shall be not more than that for the preceding delivery period.

(b) *Class II milk.* The average of the basic or field prices reported to have been paid or to be paid for ungraded milk of 4.0 percent butterfat content received from farmers during the month at the following plants or places for which prices have been reported to the market administrator or to the Department:

Present Operator and Location

DeCoursey Dairy, Wichita, Kans.
Hawks Dairy, Tulsa, Okla.
America Foods Co., Miami, Okla.
Pet Milk Co., Iola, Kans.

§ 928.52 *Butterfat differentials to handlers.* If the average butterfat content of the milk of any class pursuant to § 928.46 is more or less than 4.0 percent, there shall be added to the respective class price computed pursuant to § 928.51 for each one-tenth of 1 percent that the average butterfat content for such milk is above 4.0 percent, or subtracted for each one-tenth of 1 percent that such average butterfat content is below 4.0 percent an amount equal to the applicable butterfat differential computed as follows:

Class I and II milk. Multiply by 1.25 for Class I and by 1.20 for Class II the simple average, as computed by the market administrator, of the daily wholesale selling prices (using the midpoint of any price range as one price) of Grade A (92-score) bulk creamery butter per pound at Chicago as reported by the Department during the preceding month, and divide the result by 10.

APPLICATION OF PROVISIONS

§ 928.60 *Producer-handlers.* Sections 928.40 to 928.46, 928.50 to 928.52, 928.70 to 928.71, 928.80 to 928.87 shall not apply to a producer-handler.

§ 928.61 *Handlers subject to other orders.* In the case of any handler who the Secretary determines disposes of a greater portion of his milk as Class I milk in another marketing area regulated by another milk marketing agreement or order issued pursuant to the act, the provisions of this order shall not apply except as follows:

(a) The handler shall, with respect to his total receipts of skim milk and butterfat, make reports to the market administrator at such time and in such manner as the market administrator may require and allow verification of such reports by the market administrator.

(b) If the price which such handler is required to pay under the other Federal order to which he is subject for skim milk and butterfat, which would be classified as Class I milk under this order, is less than the price provided by this order, such handler shall pay to the market administrator for deposit into the producer settlement fund (with respect to all skim milk and butterfat disposed of as Class I milk within the marketing area) an amount equal to the difference between the value of such skim milk or butterfat as computed pursuant to this order and its value as determined pursuant to the other order to which he is subject.

§ 928.62 *Other source milk.* For any other source skim milk or butterfat subtracted from Class I pursuant to the provisions of § 928.46, the market administrator in determining the net pool obligation of the handler pursuant to this order shall add an amount equal to the difference between the value of such skim milk and butterfat at the Class I and at the Class II price, unless such handler can prove to the satisfaction of the market administrator that such other source skim milk and butterfat was utilized only to the extent that producer milk was not available.

DETERMINATION OF UNIFORM PRICES

§ 928.70 *Computation of value of milk.* The value of milk received during each month by each handler from producers shall be a sum of money computed by the market administrator by multiplying the pounds of such milk in each class by the applicable class prices, and adding together the resulting amounts: *Provided*, That if the handler had overage of either skim milk or butterfat there shall be added to the above values an amount computed by multiplying the pounds of overage deducted from each class pursuant to § 928.46 by the applicable class prices.

§ 928.71 *Computation of uniform price.* For each month the market administrator shall compute the uniform price per hundredweight for milk of 4.0 percent butterfat content received from producers as follows:

(a) Combine into one total the values computed pursuant to § 928.70 for all handlers who made the reports prescribed in § 928.30 and who made the payments pursuant to §§ 928.80 and 928.83 for the preceding month.

(b) Add not less than one-half of the cash balance on hand in the producer-settlement fund less the total amount of the contingent obligations to handlers pursuant to § 928.85;

(c) Subtract if the average butterfat content of the milk included in these computations is greater than 4.0 percent, or add if such average butterfat content is less than 4.0 percent an amount computed by multiplying the amount by which the average butterfat content of such milk varies from 4.0 percent by the butterfat differential computed pursuant to § 928.81 and multiplying the resulting figure by the total hundredweight of such milk;

(d) Divide the resulting amount by the total hundredweight of milk included in these computations; and,

(e) Subtract not less than 4 cents nor more than 5 cents from the amount computed pursuant to paragraph (d) of this section. The resulting figure shall be the uniform price for milk of 4.0 percent butterfat content received from producers.

NOTE: It is also proposed that during the months that the base ratings proposed in § 928.72 are in effect provision should be included for the computation of separate uniform prices for base milk and excess milk.

BASE RATING

§ 928.72 *Base rating*—(a) *Determination of monthly base.* For each month

during which payments to producers are made and pursuant to established bases, the monthly base of each producer shall be a quantity of milk calculated by the market administrator by multiplying the number of days in such month by the daily base of each producer which has been determined pursuant to the provisions of paragraph (b) of this section.

(b) *Determination of daily base.* Effective February 1, 1951, through September 30, 1951, and for the same months of each succeeding year, the daily base of each producer shall be a quantity of milk calculated by the market administrator in the following manner: Divide the total pounds of milk sold or delivered during the next preceding months of October, November, December and January by the total number of days in this four month period. This quantity of milk shall be known as such producer's daily base: *Provided,* That the daily base of a new producer coming on the market after the beginning of the base setting period shall be determined by dividing the total pounds of milk sold or delivered to a handler during the base setting period by the total number of days such producer delivered to a handler during the base setting period: *Provided further,* That when such producer sells or delivers for 90 days or less, and 30 days or more, during the base setting period, the following percentages shall be deducted from that producer's daily base:

Days:	*Deductions (percent)*
61 to 90	20
31 to 60	30

Provided further, That if a new producer sells or delivers milk to a handler for less than 30 days during the base setting period, he shall be allocated a temporary base in accordance with provisions of subparagraph (1) of this paragraph.

(1) A new producer who comes on the market after the base setting period has ended or less than 30 days before the end of such period shall be paid Class II price for all milk sold and delivered during the first fractional part of any month he is on the market and shall thereafter be allocated a temporary base computed by the market administrator, for use until the beginning of the base setting period as follows: Divide the total pounds of milk sold or delivered to a handler during each full month thereafter until the beginning of the next base setting period by the number of days in that month, and subtract from that figure the following percentages for the applicable months:

Months:	*Percentages*	Months:	*Percentages*
January	30	June	70
February	40	July	70
March	50	August	60
April	50	September	50
May	60		

(2) *Base rules.* (i) Any producer who ceases to deliver milk to a handler for a period of more than 30 consecutive days, except as provided for in subdivision (v) of this subparagraph, shall forfeit his base. In the event such producer thereafter commences to deliver milk to a handler, he shall be allotted a daily base computed in the manner provided in paragraph (b) of this section.

(ii) A landlord who rents on a share basis shall be entitled to the entire daily base to the exclusion of the tenant if the landlord owns the entire herd. A tenant who rents on a share basis shall be entitled to the entire daily base to the exclusion of the landlord if the tenant owns the entire herd. If the cattle are jointly owned by the tenant and the landlord the daily base shall be terminated when such share basis is terminated.

(iii) A producer, whether a landlord or a tenant, may retain his base when moving his entire herd of cows from one farm to another.

(iv) Base may not be transferred except (a) in case of the death (or retirement) of a producer, in which case his base may be transferred to a surviving member or members of his family who carry on the same dairy operation; and, (b) in case a producer goes out of the business of producing milk and sells 100% of his dairy herd, in which case the entire base may be transferred to the purchaser.

(v) For the purposes of this section only, the term "producer" shall include any person who has been a producer as defined in § 928.1 (j), but whom the appropriate health officer or his authorized representative has suspended temporarily for failure to produce milk in conformity with the applicable health regulations.

PAYMENTS

§ 928.80 *Time and method of payment.* Each handler shall make payment as follows:

(a) On or before the 15th day after the end of the month during which the milk was received, to each producer at not less than the uniform price computed pursuant to § 928.71, adjusted by the butterfat differential computed pursuant to § 928.81, and less the amount of the payment made pursuant to paragraph (b) of this section: *Provided,* That with respect to producers whose milk was caused to be delivered to such handler by a cooperative association which is authorized to collect payment for such milk, the handler shall, if the cooperative association so requests, pay such cooperative association, on or before the 13th day after the end of the month, an amount equal to the sum of the individual payments otherwise payable to such producers in accordance with this paragraph.

(b) On or before the last day of each month to each producer for milk received from him during the first 15 days of the month at not less than the Class II price for the preceding month: *Provided,* That with respect to producers whose milk was caused to be delivered to such handler by a cooperative association which is authorized to collect payments for such milk, the handler shall, if the cooperative association so requests, pay such cooperative association at least 3 days before the end of the month, an amount equal to the sum of the individual payments otherwise payable to such producers in accordance with this paragraph.

§ 928.81 *Producer butterfat differential.* In making payments pursuant to § 928.80 (a), there shall be added to or subtracted from the uniform price for each one-tenth of 1 percent that the average butterfat content of the milk received from the producer is above or below 4.0 percent, an amount computed by multiplying by 1.2 the simple average, as computed by the market administrator, of the daily wholesale selling prices (using the midpoint of any price range as one price) of Grade A (92-score) bulk creamery butter per pound at Chicago as reported by the Department during the month, dividing the resulting sum by 10, and rounding to the nearest one-tenth of a cent.

§ 928.82 *Producer-settlement fund.* The market administrator shall establish and maintain a separate fund known as the "producer-settlement fund", into which he shall deposit payments made by handlers pursuant to §§ 928.83, 928.61 (b) and 928.85 and out of which he shall make payments to handlers pursuant to §§ 928.85 and 928.84.

§ 928.83 *Payments to the producer-settlement fund.* On or before the 13th day after the end of the month during which the milk was received, each handler, including a cooperative association which is a handler, shall pay to the market administrator the amount, if any, by which the value of the milk received by such handler from producers as determined pursuant to § 928.70 is greater than the amount required to be paid producers by such handler pursuant to § 928.80 (a).

§ 928.84 *Payment out of the producer-settlement fund.* On or before the 14th day after the end of the month during which the milk was received, the market administrator shall pay to each handler, including a cooperative association which is a handler, the amount, if any, by which the value of the milk received by such handler from producers during the month as determined pursuant to § 928.70 is less than the amount required to be paid producers by such handler pursuant to §928.80 (a): *Provided,* That if the balance in the producer-settlement fund is insufficient to make all payments pursuant to this paragraph, the market administrator shall reduce uniformly such payments and shall complete such payments as soon as the necessary funds are available. No handler who has not received the balance of such payment from the market administrator shall be considered in violation of § 928.80 (a) if he reduces his payments to producers by not more than the amount of the reduction in payment from the producer-settlement fund. The handler shall complete such payments to producers not later than the date for making such payments, next following after the receipt of the balance from the market administrator.

§ 928.85 *Adjustment of accounts.* Whenever audit by the market administrator of any handler's reports, books,

records, or accounts discloses errors resulting in moneys due (a) the market administrator from such handler, (b) such handler from the market administrator, or (c) any producer or cooperative association from such handler, the market administrator shall promptly notify such handler of any amount so due and payment thereof shall be made on or before the next date for making payments set forth in the provisions under which such error occurred.

§ 928.86 *Marketing services*—(a) *Deductions.* Except as set forth in paragraph (b) of this section, each handler, in making payments to producers (other than himself) pursuant to § 928.80 shall deduct 5 cents per hundredweight or such lesser amount as may be prescribed by the Secretary and shall pay such deductions to the market administrator on or before the 15th day after the end of such month. Such moneys shall be used by the market administrator to sample, test, and check the weights of milk received from producers and to provide producers with market information.

(b) *Deductions with respect to members of a cooperative association.* In the case of producers for whom a cooperative association is actually performing the services set forth in paragraph (a) of this section, each handler shall make, in lieu of the deductions specified in paragraph (a) of this section, such deductions from the payments to be made to such producers as may be authorized by the membership agreement or marketing contract between such cooperative association and such producers and on or before the 15th day after the end of such month pay such deduction to the cooperative association rendering such services.

§ 928.87 *Expense of administration.* As his prorata share of the expense of administration hereof, each handler shall pay to the market administrator on or before the 15th day after the end of the month, 4 cents per hundredweight or such lesser amount as the Secretary may prescribe with respect to all receipts within the month of (a) other source milk which is classified as Class I, and (b) milk from producers including such handler's own production.

§ 928.88 *Termination of obligation.* The provisions of this section shall apply to any obligation under this order for the payment of money:

(a) The obligation of any handler to pay money required to be paid under the terms of this order shall, except as provided in paragraphs (b) and (c) of this section, terminate two years after the last day of the calendar month during which the market administrator receives the handler's utilization report on the milk involved in such obligation, unless within such two year period the market administrator notifies the handler in writing that such money is due and payable. Service of such notice shall be complete upon mailing to the handler's last known address, and it shall contain but need not be limited to, the following information:

(1) The amount of the obligation;

(2) The month(s) during which the milk, with respect to which the obligation exists, was received or handled; and,

(3) If the obligation is payable to one or more producers or to an association of producers, the name of such producer(s) or association of producers, or if the obligation is payable to the market administrator, the account for which it is to be paid.

(b) If a handler fails or refuses, with respect to any obligation under this order, to make available to the market administrator or his representative all books and records required by this order to be made available, the market administrator may, within the two year period provided for in paragraph (a) of this section, notify the handler in writing of such failure or refusal. If the market administrator so notifies a handler, the said two year period with respect to such obligation shall not begin to run until the first day of the calendar month following the month during which all such books and records pertaining to such obligation are made available to the market administrator or his representatives.

(c) Notwithstanding the provisions of paragraphs (a) and (b) of this section, a handler's obligation under this order to pay money shall not be terminated with respect to any transaction involving fraud or willful concealment of a fact, material to the obligation, on the part of the handler against whom the obligation is sought to be imposed.

(d) Any obligation on the part of the market administrator to pay a handler any money which such handler claims to be due him under the terms of this order shall terminate two years after the end of the calendar month during which the milk involved in the claim was received if an underpayment is claimed, or two years after the end of the calendar month during which the payment (including deduction or set-off by the market administrator) was made by the handler if a refund on such payment is claimed, unless such handler, within the applicable period of time, files, pursuant to section 8 (c) (15) (A) of the act, a petition claiming such money.

EFFECTIVE TIME, SUSPENSION OR TERMINATION

§ 928.90 *Effective time.* The provisions hereof or any amendment hereto shall become effective at such time as the Secretary may declare and shall continue in force until suspended or terminated pursuant to § 928.91.

§ 928.91 *Suspension or termination.* The Secretary may suspend or terminate this order or any provision hereof whenever he finds this order or any provision hereof obstructs or does not tend to effectuate the declared policy of the act. This order shall terminate in any event whenever the provisions of the act authorizing it cease to be in effect.

§ 928.92 *Continuing obligations.* If, upon the suspension or termination of any or all provisions of this order, there are any obligations hereunder the final accrual or ascertainment of which requires further acts by any person (including the market administrator), such further acts shall be performed notwithstanding such suspension or termination.

§ 928.93 *Liquidation.* Upon the suspension or termination of the provisions hereof, except this section, the market administrator, or such other liquidating agent as the Secretary may designate, shall, if so directed by the Secretary, liquidate the business of the market administrator's office, dispose of all property in his possession or control, including accounts receivable, and execute and deliver all assignments or other instruments necessary or appropriate to effectuate any such disposition. If a liquidating agent is so designated, all assets, books, and records of the market administrator shall be transferred promptly to such liquidating agent. If, upon such liquidation, the funds on hand exceed the amounts required to pay outstanding obligations of the office of the market administrator and to pay necessary expenses of liquidation and distribution, such excess shall be distributed to contributing handlers and producers in an equitable manner.

MISCELLANEOUS PROVISIONS

§ 928.100 *Agents.* The Secretary may, by designation in writing, name any officer or employee of the United States to act as his agent or representative in connection with any of the provisions hereof.

§ 928.101 *Separability of provisions.* If any provision hereof, or its application to any person or circumstances, is held invalid, the application of such provision and of the remaining provisions hereof, to other persons or circumstances shall not be affected thereby.

§ 928.102 *Miscellaneous.* Make such other changes in the provisions of this order, particularly in connection with § 928.7 and § 928.8 as are necessary to make the provisions of the above base-surplus plan consistent with all other provisions of this order, and more particularly to provide for payments to producers during the months that the base-surplus plan is utilized as a basis for payments by subtracting base milk from Class I milk to the extent of Class I sales for this period only, and to provide for the establishment of two pools to compute the payments to producers for Class I milk and base milk, and Class II milk and excess milk.

Copies of this notice of hearing may be procured from the Director, Dairy Branch, Production and Marketing Administration, U. S. Department of Agriculture, Washington 25, D. C., or from the Hearing Clerk, Room 1353 South Building, United States Department of Agriculture, Washington 25, D. C., or may be there inspected.

Dated: October 23, 1950, at Washington, D. C.

[SEAL] JOHN I. THOMPSON,
Assistant Administrator.

[F. R. Doc. 50-9465; Filed, Oct. 25, 1950; 8:48 a. m.]

CIVIL AERONAUTICS BOARD

[14 CFR, Part 9]

LIMITED AIRWORTHINESS CERTIFICATES

NOTICE OF PROPOSED RULE MAKING

Pursuant to authority delegated by the Civil Aeronautics Board to the Bureau of Safety Regulation, notice is hereby given that the Bureau will propose to the Board an amendment of Part 9 of the Civil Air Regulations in substance as hereinafter set forth.

Interested persons may participate in the making of the proposed rule by submitting such written data, views, or arguments as they may desire. Communications should be submitted in duplicate to the Civil Aeronautics Board, attention Bureau of Safety Regulation, Washington 25, D. C. All communications received by November 10, 1950, will be considered by the Board before taking further action on the proposed rule. Copies of such communications will be available after November 14, 1950, for perusal by interested persons at the Docket Section of the Board, Room 5412, Commerce Building, Washington, D. C.

Currently effective Part 9 provides that a limited airworthiness certificate shall not be initially issued after August 31, 1948. That time limitation was established in order that the development of postwar civilian-type aircraft would not be stifled by an extended overloading of the market with surplus war aircraft. However, in view of the increasing demand for military-type aircraft and the consequent diversion of facilities from the production of civilian-type aircraft to the production of military-type aircraft and an increase in demand for the use of war-surplus aircraft as executive-type transports, it appears desirable to remove this time limitation.

It should be noted that in order to obtain a limited airworthiness certificate for an aircraft the applicant must submit such substantiating data as may be necessary to prove that the aircraft is in an airworthy condition and that it complies with the type certificate. The Administrator is authorized to prescribe such operating limitations as may be necessary to assure safe operation of the aircraft. Moreover, an aircraft bearing a limited airworthiness certificate may not be used for the transportation of persons or cargo for compensation or hire.

It should be further noted that we do not propose to extend the date for making application for a limited type certificate. December 31, 1947, is the date currently established as the cutoff date for making such application. Therefore, the airworthiness certificates which could be issued under this proposal would be only for aircraft holding type certificates for which application was made prior to December 31, 1947.

Accordingly, it is proposed to delete the last sentence of § 9.3 (a) which provides that limited airworthiness certificates shall not be issued after August 31, 1948.

This amendment is proposed under the authority of Title VI of the Civil Aeronautics Act of 1938, as amended.

(Sec. 205 (a), 52 Stat. 984, 49 U. S. C. 425 (a). Interpret or apply secs. 601–610, 52 Stat. 1007–1012, 62 Stat. 216, 49 U. S. C. 551–560, act of July 1, 1948)

Dated October 23, 1950, at Washington, D. C.

By the Bureau of Safety Regulation.

[SEAL] JOHN M. CHAMBERLAIN, *Director.*

[F. R. Doc. 50-9373; Filed, Oct. 25, 1950; 8:45 a. m.]

FEDERAL TRADE COMMISSION

[16 CFR, Ch. I]

[File No. 21-393]

USE OF TERMS GOLD, KARAT, AND SOLID

NOTICE OF HEARING AND OF OPPORTUNITY TO PRESENT VIEWS, SUGGESTIONS, OR OBJECTIONS

In the matter of proposed trade practice rules relating to use of the terms "gold", "karat", and "solid" in describing articles or parts of articles which are solidly and throughout of an alloy of gold.

Opportunity is hereby extended by the Federal Trade Commission to any and all persons, partnerships, corporations, associations, or other parties, including farm, labor, and consumer groups, affected by or having an interest in the proposed trade practice rules relating to the use of the term "gold" or "karat", or any abbreviations thereof, or of the word "solid" in conjunction with either of said terms or their abbreviations, in describing or referring to articles or parts thereof composed throughout of an alloy containing gold, to present to the Commission their views concerning said rules, including such pertinent information, suggestions, or objections as they may desire to submit, and to be heard in the premises. For this purpose they may obtain copies of the proposed rules upon application to the Commission. Such views, information, suggestions, or objections may be submitted by letter, memorandum, brief, or other communication, to be filed with the Commission not later than November 16, 1950. Opportunity to be heard orally will be afforded at the hearing beginning at 10 a. m., November 16, 1950, in Room 332, Federal Trade Commission Building, Pennsylvania Avenue at Sixth Street NW., Washington, D. C., to any such persons, partnerships, corporations, associations, or other parties, including farm, labor, and consumer groups, desiring to appear and be heard. After due consideration of all matters presented in writing or orally, the Commission will proceed to final action on the proposed rules.

Issued: October 23, 1950.

By the Commission.

[SEAL] D. C. DANIEL, *Secretary.*

[F. R. Doc. 50-9451; Filed, Oct. 25, 1950; 8:48 a. m.]

NOTICES

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[Misc. 2135990]

NEW MEXICO

ORDER PROVIDING FOR OPENING OF PUBLIC LANDS

OCTOBER 19, 1950.

In an exchange of lands made under the provisions of section 8 of the act of June 28, 1934 (48 Stat. 1269), as amended June 26, 1936 (49 Stat. 1976, 43 U. S. C. 315g), the following described lands have been reconveyed to the United States:

NEW MEXICO PRINCIPAL MERIDIAN

T. 1 S., R. 1 W.,
Sec. 27, NW¼, S½SW¼, SW¼NE¼;
Secs. 29, 31 and 33.

T. 2 N., R. 1 W.,
Sec. 1, lots 1, 2, 3 and 4, N½S½, N½;
Sec. 3, lots 1, 2, 3 and 4, N½S½, N½;
Sec. 5, lots 1, 2, 3, 4, 5, 6, 7 and 8, S½N½, N½S½.

T. 2 S., R. 1 W.,
Secs. 3, 5, 7, 9, 15 and 17;
Sec. 19, N½, SE¼SE¼, SW¼;
Sec. 21, NE¼, N½NW¼, NE¼SE¼, S½S½, SE¼NW¼;
Sec. 23;
Sec. 25, lot 3, NW¼, NW¼SW¼;
Sec. 27, N½, SW¼SE¼, SW¼;
Sec. 29, lots 1 and 2, N½NE¼, SW¼NE¼, NW¼, S½SE¼, SE¼SW¼;
Sec. 33.

T. 1 N., R. 2 W.,
Sec. 5, lots 1, 2, 3, 4 and 5, SW¼NW¼, W½SW¼;
Sec. 7, lots 1, 2, 3, 4 and 5, N½, NE¼SE¼;
Sec. 17, lot 1.

T. 1 S., R. 2 W.,
Sec. 25;
Sec. 27, E½E½;
Sec. 35.

T. 2 N., R. 2 W.,
Sec. 1, lots 1, 2, 3 and 4, N½, N½S½;
Sec. 3, lots 1, 2, 3 and 4, N½, N½S½;
Sec. 5, lots 1, 2, 3 and 4, N½, N½S½;
Sec. 7, lots 1, 2, 3, 4, 5 and 6, SW¼NE¼, SE¼, E½W½;
Sec. 17, lots 1, 2, 3 and 4, W½W½;
Sec. 19;
Sec. 29, lots 1, 2, 3 and 4;
Sec. 31.

T. 2 S., R. 2 W.,
Sec. 25;
Sec. 35, E½NE¼, NW¼, W½SW¼.

T. 1 N., R. 5 W.,
Sec. 1;
Sec. 3, lots 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10, S½NE¼, SE¼NW¼;
Sec. 5, lot 5;
Sec. 11, lots 1 and 2.

T. 2 N., R. 3 W.,
Secs. 1, 3, 5, 7, 9, 11, 13, 15, 17, 19, 21, 23, 25, 27 and 29;
Sec. 31, lots 1, 2, 3, 4, 5, 6 and 7, NE¼;
Secs. 33 and 35.

T. 2 N., R. 4 W.,
Secs. 1, 3, 5, 7, 11, 13 and 17;
Sec. 21, lot 1, N½, SE¼, N½SW¼, SE¼SW¼;
Sec. 25.
T. 2 N., R. 5 W.,
Sec. 1.
T. 3 N., R. 5 W.,
Secs. 1, 11, 13;
Sec. 15, S½;
Secs. 19, 21, 23 and 25;
Sec. 27, N½NE¼;
Secs. 29, 31 and 33.

The areas described aggregate 43,815.87 acres.

The lands are primarily suitable for grazing.

No applications for these lands may be allowed under the homestead, small tract, desert-land, or any other nonmineral public-land laws, unless the lands have already been classified as valuable or suitable for such type of application, or shall be so classified upon consideration of an application.

This order shall not otherwise become effective to change the status of such lands until 10:00 a. m., on the 35th day after the date of this order. At that time the said lands shall, subject to valid existing rights and the provisions of existing withdrawals, become subject to application, petition, location, and selection as follows:

(a) *Ninety-one day period for preference-right filings.* For a period of 91 days, commencing at the hour and on the day specified above, the public lands affected by this order shall be subject only to (1) application under the homestead or the desert-land laws or the Small Tract Act of June 1, 1938, 52 Stat. 609 (43 U. S. C. 682a), as amended, by qualified veterans of World War II and other qualified persons entitled to preference under the act of September 27, 1944, 58 Stat. 747 (43 U. S. C. 279–284), as amended, subject to the requirements of applicable law, and (2) application under any applicable public-land law, based on prior existing valid settlement rights and preference rights conferred by existing laws or equitable claims subject to allowance and confirmation. Applications under subdivision (1) of this paragraph shall be subject to applications and claims of the classes described in subdivision (2) of this paragraph. All applications filed under this paragraph either at or before 10:00 a. m., on the 35th day after the date of this order shall be treated as though filed simultaneously at that time. All applications filed under this paragraph after 10:00 a. m., on the said 35th day shall be considered in the order of filing.

(b) *Date for non-preference-right filings.* Commencing at 10:00 a. m. on the 126th day after the date of this order, any lands remaining unappropriated shall become subject to such application, petition, location, selection, or other appropriation by the public generally as may be authorized by the public-land laws. All such applications filed either at or before 10:00 a. m., on the 126th day after the date of this order, shall be treated as though filed simultaneously at the hour specified on such 126th day. All applications filed thereafter shall be considered in the order of filing.

A veteran shall accompany his application with a complete photostatic, or other copy (both sides), of his certificate of honorable discharge, or of an official document of his branch of the service which shows clearly his honorable discharge as defined in § 181.36 of Title 43 of the Code of Federal Regulations, or constitutes evidence of other facts upon which the claim for preference is based and which shows clearly the period of service. Other persons claiming credit for service of veterans must furnish like proof in support of their claims. Persons asserting preference rights, through settlement or otherwise, and those having equitable claims, shall accompany their applications by duly corroborated statements in support thereof, setting forth in detail all facts relevant to their claims.

Applications for these lands, which shall be filed in the Land and Survey Office, Santa Fe, New Mexico, shall be acted upon in accordance with the regulations contained in § 295.8 of Title 43 of the Code of Federal Regulations and Part 296 of that title, to the extent that such regulations are applicable. Applications under the homestead laws shall be governed by the regulations contained in Parts 166 to 170, inclusive, of Title 43 of the Code of Federal Regulations, and applications under the desert-land laws and the said Small Tract Act of June 1, 1938, shall be governed by the regulations contained in Parts 232 and 257, respectively, of that title.

Inquiries concerning these lands shall be addressed to the Manager, Land and Survey Office, Santa Fe, New Mexico.

WILLIAM ZIMMERMAN, Jr.,
Assistant Director.

[F. R. Doc. 50-9452; Filed, Oct. 25, 1950; 8:48 a. m.]

DEPARTMENT OF AGRICULTURE

Forest Service

CIBOLA NATIONAL FOREST

REMOVAL OF TRESPASSING HORSES, MULES, AND BURROS

Whereas a number of horses, mules, and burros are trespassing and grazing on land in the Cibola National Park in the State of New Mexico; and

Whereas these horses, mules, and burros are consuming forage needed for permitted livestock, are causing extra expense to established permittees, and are injuring national-forest lands;

Now, therefore, by virtue of the authority vested in the Secretary of Agriculture by the act of June 4, 1897 (30 Stat. 35; 16 U. S. C. 551), and the act of February 1, 1905 (33 Stat. 628; 16 U. S. C. 472), the following order is issued for the occupancy, use, protection, and administration of land as designated below in the Cibola National Forest:

Temporary closure from livestock grazing. (a) The following described lands within the Cibola National Forest, State of New Mexico, are hereby closed from November 15, 1950, to April 30, 1951, to the grazing of horses, mules, and burros, excepting those that are lawfully grazing on or crossing such lands pursuant to the regulations of the Secretary of Agriculture, or which are used in connection with operations authorized by such regulations, or used as riding, pack, or draft animals by persons traveling over such lands:

All of the Little Rosa Allotment, San Mateo District. Bounded on the north and east by the Forest boundary, on the south by the Big Rosa allotment fence, on the west by impassable cliffs interspersed with stretches of fence which constitute the east boundary of the Bear Trap allotment and by the Durfee allotment fence.

All of the Madera and Ryan Hill Allotments and the Southeast Corner of the Baldy Allotment, San Augustine District. Bounded on the east and south by the Forest boundary, on the west by the Sawmill allotment boundary fence, the Baldy allotment fence from the northeast corner of the Sawmill allotment across Ryan Hill Canyon to the cliffs of Buck Ridge, and Buck Ridge (an impassable natural barrier), and on the north by an eastward extension of Buck Ridge and the Water Canyon allotment fence.

All of the La Madera, Placitas and Del Agua Allotments and the North Half of the Rincon Allotment, Sandia District. All of the lands in Township 12 North, Ranges 4 and 5 East, lying within the boundaries of the Cibola National Forest.

All of the Mt. Sedgwick, Agua Fria, Oso Ridge, and Bluewater Allotments, Zuni Ranger District. Beginning at the northeast corner of Township 11 North, Range 12 West, running south 12 miles along a fence on the township line to the southeast corner of Township 10 North, Range 12 West; thence 9 miles west along a fence to the southwest corner of Section 34, Township 10 North, Range 13 West; thence 3 miles north along the allotment boundary to the corner comman to Sections 15, 16, 21, and 22, Township 10 North, Range 13 West; thence 3 miles west along the allotment boundary to the range line on the forest boundary; thence along the forest boundary one mile north, 6 miles west and 4 miles north to the southwest corner of Section 19, Township 11 North, Range 14 West; thence one mile north along a fence line to the northwest corner of Section 19, Township 11 North, Range 14 West; thence 6 miles east along the Oso Ridge-Wells Spring allotment boundary fence; thence north 3 miles along allotment boundary fence to the township corner common to Townships 11 and 12 North, Ranges 13 and 14 West; thence 2 miles east and 3 miles north along the Cottonwood-Bluewater allotment boundary fence; thence 3 miles east, one mile south and one mile east to the northeast corner of Section 25, Township 12 North, Range 13 West; thence one mile south, one mile east, one mile south and 5 miles east along the fences and impassable natural barriers making up the Salitre Nesa-Mt. Sedgwick allotment boundary to the point of beginning.

(b) Officers of the United States Forest Service are hereby authorized to dispose of, in the most humane manner, all horses, mules, and burros found trespassing or grazing in violation of this order.

(c) Public notice of intention to dispose of such horses, mules, and burros shall be given by posting notices in public places or advertising in a newspaper of general circulation in the locality in which the Sibola National Forest is located.

Done at Washington, D. C., this 20th day of October 1950.

Witness my hand and the seal of the Department of Agriculture.

[SEAL] K. T. HUTCHINSON,
Acting Secretary of Agriculture.

[F. R. Doc. 50-9440; Filed, Oct. 25, 1950; 8:47 a. m.]

DEPARTMENT OF COMMERCE

Federal Maritime Board

MEMBER LINES OF PACIFIC COAST EUROPEAN CONFERENCE, ET AL.

NOTICE OF AGREEMENTS FILED FOR APPROVAL

Notice is hereby given that the following described agreements have been filed with the Board for approval pursuant to section 15 of the Shipping Act, 1916, as amended:

Agreement No. 5200-K, between the member lines of the Pacific Coast European Conference, provides for the admission of American President Lines, Ltd., to associate membership in the aforesaid conference. As an associate member the American President Lines will have no vote in Conference affairs, but will be permitted to participate in conference contracts with shippers.

Agreement No. 7786, between Federal Steam Navigation Company, Limited, and New Zealand Shipping Company, Limited, provides for the establishment and maintenance of a joint cargo service with limited passenger accommodations under the trade name "Federal-New Zealand Lines" in the trade between ports of the United States and Hawaiian Islands (not including transportation within the purview of the Coastwise Laws of the United States) and ports in British North America, West Indies, Central America, Canal Zone, Mexico, South America, Africa, Asia, Japan, Australasia, Philippine Islands, Europe and all ports in islands and groups of islands adjacent thereto. There is to be no pooling or other sharing of profits or losses between the parties. The joint service may participate in conference, pooling and other agreements as a single party only, being represented by Norton, Lilly & Company of New York.

Agreement No. 7788, between Ellerman Lines, Limited, Ellerman & Bucknall Steamship Co., Limited, Hall Line, Limited, The City Line, Limited, provides for the establishment and maintenance of a joint cargo service with limited passenger accommodations under the trade name "Ellerman and Bucknall Associated Lines" in the trade between ports of the United States and Hawaiian Islands (not including transportation within the purview of the Coastwise Laws of the United States) and ports in British North America, West Indies, Central America, Canal Zone, Mexico, South America, Africa, Asia, Japan, Australasia, Philippine Islands, Europe and all ports in islands or groups of islands adjacent thereto. There is to be no pooling or other sharing of profits or losses between the parties. The joint service may participate in conference, pooling and other agreements as a single party only, being represented by Norton, Lilly & Company of New York.

Agreement No. 7791, between Port Line Ltd., the Cunard Steamship Company Ltd., Thos. & Jno. Brocklebank Ltd., provides for the establishment and maintenance of a joint cargo service with limited passenger accommodations under the trade name "Port and Associated Lines" in the trade between ports of the United States and Hawaiian Islands (not including transportation within the purview of the Coastwise Laws of the United States) and ports in Australia, New Zealand, British North America, West Indies, Central America, Canal Zone, Mexico, South America, and all ports in islands and groups of islands adjacent thereto. There is to be no pooling or other sharing of profits or losses between the parties. The joint service may participate in conference, pooling and other agreements as a single party only, being represented by Funch, Edye & Co., Inc., of New York.

Agreement No. 7793, between Grace Line, Inc., and Moore-McCormack Lines, Inc., is a cooperative working arrangement for the booking and transportation of passengers on Around South America tours. This agreement will replace Agreement No. 7194 between said parties.

Interested parties may inspect these agreements and obtain copies thereof at the Regulation Office, Federal Maritime Board, Washington, D. C., and may submit, within 20 days after publication of this notice, written statements with reference to any of the agreements and their position as to approval, disapproval, or modification together with request for hearing should such hearing be desired.

By order of the Federal Maritime Board.

Dated: October 23, 1950.

[SEAL] A. J. WILLIAMS,
Secretary.

[F. R. Doc. 50-9450; Filed, Oct. 25, 1950; 8:48 a. m.]

Foreign-Trade Zones Board

[Foreign-Trade Zone No. 6]

SOUTHWEST INTERNATIONAL TRADE FAIR, INC.

DUTY FREE PERMIT TO SELL RETAIL DOMESTIC DUTY FREE AND DUTY-PAID GOODS

Duty free permit to sell retail domestic and duty-paid goods in foreign-trade zone No. 6, Municipal Airport, San Antonio, Texas, during Southwest International Trade Fair November 3, 1950 through November 12, 1950, and at option through November 19, 1950.

Whereas, the Southwest International Trade Fair, Incorporated, of San Antonio, Texas, will conduct an International Trade Fair in San Antonio, Texas, in and on the premises of Foreign-Trade Zone No. 6 at that City's Municipal Airport, and desires permission to operate in connection therewith concessions which will engage in the sale and service of foods and beverages, the sale of novelties customary to fairs, and the sale of its catalogs, all of which will constitute sales at retail, and

Whereas, said International Trade Fair will exhibit goods and merchandise from numerous foreign countries and from the United States, all of said goods and merchandise so exhibited be domestic duty free or duty-paid and while the basic purpose and emphasis of said International Trade Fair will be primarily to take wholesale orders of domestic purchasers, permission has been requested to sell such goods and merchandise at retail when conditions warrant.

Therefore, Foreign-Trade Zone No. 6, after approval of this permit, as provided in the Foreign-Trade Zones Board Regulations, Code of Federal Regulations, Part 400 (15 CFR 400), of which section 15 (d) provides: "No retail trade shall be conducted within the zone except under permits issued by the grantee and approved by the Board. Such permittees shall sell no goods except such domestic or duty-paid or duty-free goods as are brought into the zone from customs territory.", hereby grants to Southwest International Trade Fair, Incorporated, permission to sell at retail domestic, duty-free and duty-paid goods and merchandise as above stated, at and during the conduct of the International Trade Fair in Foreign-Trade Zone No. 6, November 3, 1950, to and through November 12, 1950, and to and through November 19, 1950, if the said fair shall operate to the latter date.

All such retail sales to be in full compliance with all laws of the United States and all legal regulations thereto pertaining.

SCOBEY FIREPROOF STORAGE COMPANY,
Grantee.
C. J. CRAMPTON,
Attorney for Grantee.

Approved this 20th day of October 1950.

CHARLES SAWYER,
Secretary of Commerce, Chairman, Foreign-Trade Zones Board.

[F. R. Doc. 50-9438; Filed, Oct. 25, 1950; 8:46 a. m.]

FEDERAL POWER COMMISSION

[Docket No. E-6324]

MINNESOTA POWER & LIGHT CO.

NOTICE OF APPLICATION

OCTOBER 20, 1950.

Take notice that on October 19, 1950, an application was filed with the Federal Power Commission, pursuant to section 204 of the Federal Power Act, by Minnesota Power & Light Company, a corporation organized under the laws of the State of Minnesota and doing business in said State, with its principal business office at Duluth, Minnesota, seeking an order authorizing the issuance, by com-

petitive bidding, of 150,000 shares, without par value, of its authorized but unissued Common Stock. Applicant intends on or about November 24, 1950, publicly to invite sealed written proposals for the purchase of the Common Stock; all as more fully appears in the application on file with the Commission.

Any person desiring to be heard, or to make any protest with reference to said application should, on or before the 8th day of November 1950, file with the Federal Power Commission, Washington 25, D. C., a petition or protest in accordance with the Commission's rules of practice and procedure. The application is on file with the Commission for public inspection.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 50-9427; Filed, Oct. 25, 1950; 8:45 a. m.]

[Docket No. G-730]

SOUTHERN NATURAL GAS CO.

NOTICE OF APPLICATION FOR AMENDMENT OF CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

OCTOBER 20, 1950.

Take notice that Southern Natural Gas Company (Applicant), a Delaware corporation having its principal place of business in Birmingham, Alabama, filed on September 25, 1950, an application for amendment of the Commission's order dated June 21, 1943, issuing certificates of public convenience and necessity herein and in Docket No. G-722, In the Matter of Southern Natural Gas Company, authorizing the construction and operation of, among other things, an approximately 2¼-mile 6-inch diameter extension of Applicant's existing Talladega lateral pipeline and an approximately 4¾-mile 6-inch diameter partial loop line paralleling the said lateral, for the purpose of providing the natural gas requirements of the City of Sylacauga, Alabama, with then estimated firm peak day requirements of 1,000 Mcf, all as more fully described in the application filed on May 17, 1946,[1] subject to the conditions contained in said order.

In lieu of the afore-mentioned 4¾-mile 6-inch loop line previously authorized, Applicant by its September 25, 1950 application seeks authority to substitute a 10.4-mile 8⅝-inch loop line for the purpose of supplying the increasing natural gas requirements of Sylacauga, with an estimated 1951 peak day requirement of 2,860 Mcf, and also to provide capacity for servicing the increasing requirements of Talladega, Alabama, with an estimated 1951 peak day requirement of 2,600 Mcf. Applicant states that the 2¼-mile 6-inch diameter pipeline authorized by the Commission's June 21, 1946 order has been constructed and placed in operation but that the 4¾-mile 6-inch loop line has not yet been constructed because it was not needed until the completion of facilities by the City of Sylacauga, which facilities were not completed until 1949. The construction of the proposed substitute 10.4-mile 8⅝-inch loop line in lieu of the authorized 4¾-mile 6-inch line, according to Applicant, will increase the delivery capacity of its Talladega-Sylacauga lateral pipeline facilities from 4,540 Mcf to 12,000 Mcf per day.

The cost of the substitute loop line facilities, including river crossings, is estimated by Applicant at $247,830, which cost is to be financed from funds provided by the program outlined by Applicant in Docket No. G-1308, In the Matter of Southern Natural Gas Company, for financing the facilities covered by the certificate issued therein by the Commission's findings and order dated May 18, 1950.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the Commission's rules of practice and procedure (18 CFR 1.8 and 1.10), on or before the 10th day of November 1950. The application for amendment is on file with the Commission for public inspection.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 50-9426; Filed, Oct. 25, 1950; 8:45 a. m.]

[1] Notice of the original application was published in the FEDERAL REGISTER on May 25, 1946 (11 F. R. 575-576).

[Docket Nos. G-1143, G-1277]

TRANSCONTINENTAL GAS PIPE LINE CORP.

NOTICE OF ORDER

OCTOBER 23, 1950.

Notice is hereby given that, on October 23, 1950, the Federal Power Commission issued its order entered October 20, 1950, denying petition for amendment of orders granting certificates in the above entitled matters, and ordering that said petition be considered as an application for certificate of public convenience and necessity (Docket No. G-1518).

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 50-9449; Filed, Oct. 25, 1950; 8:48 a. m.]

[Docket No. G-1319]

ALGONQUIN GAS TRANSMISSION CO.

NOTICE OF SUPPLEMENTAL APPLICATION

OCTOBER 20, 1950.

Take notice that on October 9, 1950, Algonquin Gas Transmission Company, (Algonquin) a Delaware corporation having its principal office at Boston, Massachusetts, filed a supplement to its application filed on January 24, 1950, and amended on May 1, 1950, for a certificate of public convenience and necessity pursuant to section 7 (c) of the Natural Gas Act, as amended, authorizing the construction and operation of a natural gas pipeline system extending from a point near Lambertsville, New Jersey, into the New England States as more fully described in the application which is on file with the Commission and open for public inspection.

Algonquin now offers three alternative proposals to serve natural gas in the New England area: (1) To form a corporation owned jointly with Northeastern Gas Transmission Company, Applicant in Docket No. G-1267, to serve all of the New England area; or (2) to divide the New England market with Northeastern; or (3) to serve the entire New England area which can economically be supplied with one system wholly owned by Algonquin.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before the 10th day of November 1950. The application as supplemented is on file with the Commission for public inspection.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 50-9431; Filed, Oct. 25, 1950; 8:46 a. m.]

[Docket No. G-1329]

LAWRENCEBURG GAS CO.

ORDER ACCEPTING RATE SCHEDULE AND FIXING DATE OF HEARING

OCTOBER 19, 1950.

On February 23, 1950, Lawrenceburg Gas Company (Applicant), an Indiana corporation, with its principal place of business in Lawrenceburg, Indiana, filed an application in the alternative either for an order finding that it is not a natural-gas company, or, if so determined to be a natural-gas company, then for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, as amended, authorizing the construction and operation of six miles of 8-inch and one mile of 4-inch natural gas transmission pipeline to connect Applicant's system with the interstate system of Texas Gas Transmission Corporation, and in addition to construct and operate three-fourths of one mile of 4-inch pipeline to transmit natural gas for distribution to Greendale, Indiana, together with a regulator station and other facilities more particularly described in the application on file with the Commission.

On May 31, 1950, temporary authorization was granted pursuant to section 7 (c) of the Natural Gas Act, as amended, for construction and operation of the aforementioned facilities. Such authorization contained the following condition: "Since the contract between Lawrenceburg Gas Company and Indiana Gas and Water Company, Inc., is not satisfactory to the Commission as to form and as to provisions regarding rates, this temporary authorization is granted subject to the filing of a satisfactory tariff within 30 days from this date, which tariff shall become effective as of the initial date of deliveries of natural gas by Lawrenceburg Gas Company to Indiana Gas and Water Company, Inc."

Although Applicant's original filing in compliance with the foregoing condition was submitted within the required period,

it was rejected for noncompliance with the Commission's rules. Subsequently, on September 13, 1950, it filed its FPC Gas Tariff, Original Volume No. 1, covering the sale of natural gas to Indiana Gas and Water for distribution in Aurora, Indiana.

Such tariff appears to meet the objections raised to the company's original rate proposal filed in this docket, and should, therefore, be accepted for filing, with an effective date of June 26, 1950, the first date of delivery.

On September 22, 1950, Applicant filed a waiver, whereby it waived so much of its application as requested by the Commission.

(1) For an Order finding Applicant not to be a natural gas company subject to the jurisdiction of the Federal Power Commission, * * *.

Applicant has also requested that this application be heard under the shortened procedure provided by § 1.32 (b) of the Commission's rules of practice and procedure [18 CFR 1.32 (b)] for non-contested proceedings, and it appears to be a proper one for disposition under the aforesaid rule, no request to be heard, protest or petition raising an issue of substance having been filed subsequent to the giving of due notice of the filing of the application, including publication in the FEDERAL REGISTER on March 17, 1950 (15 F. R. 1526).

The Commission orders:

(A) Applicant's FPC Gas Tariff, Original Volume No. 1, should be and the same hereby is accepted for filing effective June 26, 1950.

(B) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, as amended, and the Commission's rules of practice and procedure, a public hearing be held on November 2, 1950, at 9:45 a. m. (e. s. t.) in the Hearing Room of the Federal Power Commission, 1800 Pennsylvania Avenue, N.W., Washington, D. C., concerning the matters involved and the issues presented by such application: *Provided, however*, That the Commission may, after a non-contested hearing, forthwith dispose of the proceeding pursuant to the provisions of § 1.32 (b) of the Commission's rules of practice and procedure.

(C) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) (18 CFR 1.8 and 1.37 (f)) of the said rules of practice and procedure.

Date of issuance: October 20, 1950.

By the Commission.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 50-9428; Filed, Oct. 25, 1950; 8:45 a. m.]

[Docket Nos. G-1399, G-1400]

VIRGINIA GAS TRANSMISSION CORP. AND LYNCHBURG PIPE LINE CO.

ORDER FIXING DATE OF HEARING

OCTOBER 19, 1950.

On May 29, 1950, the Lynchburg Pipe Line Company and the Virginia Gas Transmission Corporation filed applications for certificates of public convenience and necessity pursuant to section 7 of the Natural Gas Act, authorizing the construction and operation of certain natural gas facilities subject to the jurisdiction of the Commission all as more fully described in the application on file with the Commission. The latter named company also seeks authorization to abandon and sell certain of its natural gas facilities to the Lynchburg Pipe Line Company and discontinue the direct sale of natural gas to the Lynchburg Gas Company. Said applications are on file with the Commission and open to public inspection. Due notice of the filing of said applications has been given, including publication in the FEDERAL REGISTER on June 17, 1950 (15 F. R. 3956).

The Commission finds: Good cause exists for consolidating the proceedings in Docket Nos. G-1399 and G-1400.

The Commission orders:

(A) The proceedings in Docket Nos. G-1399 and G-1400 be and the same are hereby consolidated for the purpose of hearing.

(B) Pursuant to authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act and the Commission's rules of practice and procedure, a public hearing be held in the consolidated proceedings, commencing on November 9, 1950, at 10:00 a. m. (e. s. t.), in the Hearing Room of the Federal Power Commission, 1800 Pennsylvania Avenue NW., Washington, D. C., concerning the matters involved and the issues presented by the said applications.

(C) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) (18 CFR 1.8 and 1.37 (f)) of the said rules of practice and procedure.

Date of issuance: October 20, 1950.

By the Commission.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 50-9429; Filed, Oct. 25, 1950; 8:45 a. m.]

[Docket No. G-1436]

MANUFACTURERS LIGHT AND HEAT CO. ET AL.

ORDER FIXING DATE OF HEARING

OCTOBER 19, 1950.

In the matter of The Manufacturers Light and Heat Company, Natural Gas Company of West Virginia, Cumberland and Allegheny Gas Company, Home Gas Company.

On July 3, 1950, The Manufacturers Light and Heat Company (Manufacturers), a Pennsylvania corporation, The Natural Gas Company of West Virginia (Natural Gas), a West Virginia corporation, Cumberland and Allegheny Gas Company (Cumberland), a West Virginia corporation, and Home Gas Company (Home), a New York corporation, all with principal offices in Pittsburgh, Pennsylvania, filed a joint application for certificates of public convenience and necessity pursuant to section 7 of the Natural Gas Act, as amended, authorizing applicants to construct, operate and retire certain natural gas transmission pipeline facilities subject to the jurisdiction of the Commission, all as more fully described in such application on file with the Commission and open to the public.

Applicants have requested that this application be heard under the shortened procedure provided by § 1.32 (b) of the Commission's rules of practice and procedure [18 CFR 1.32 (b)] for non-contested proceedings, and it appears to be a proper one for disposition under the aforesaid rule, provided no request to be heard, protest or petition raising an issue of substance is filed subsequent to the giving of due notice of the filing of the application including publication in the FEDERAL REGISTER on July 21, 1950 (15 F. R. 4697).

The Commission orders:

(A) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, as amended, and the Commission's rules of practice and procedure, a public hearing be held on November 7, 1950, at 9:45 a. m. (e. s. t.) in the Hearing Room of the Federal Power Commission, 1800 Pennsylvania Avenue NW., Washington, D. C., concerning the matters involved and the issues presented by such application, *Provided, however*, That the Commission may, after a non-contested hearing, forthwith dispose of the proceeding pursuant to the provisions of § 1.32 (b) of the Commission's rules of practice and procedure.

(B) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) (18 CFR 1.8 and 1.37 (f)) of the said rules of practice and procedure.

Date of issuance: October 19, 1950.

By the Commission.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 50-9430; Filed, Oct. 25, 1950; 8:45 a. m.]

HOUSING AND HOME FINANCE AGENCY

Office of the Administrator

[Temporary Order 4, Amdt. 2]

LOAN EXAMINER; DIVISION OF LOANS FOR PREFABRICATED HOUSING

DELEGATION OF AUTHORITY TO PERFORM CERTAIN FUNCTIONS IN CONNECTION WITH LOAN TO PARK FOREST HOMES, INC., CHICAGO, ILL.

Drayton W. Casady, Loan Examiner, Division of Loans for Prefabricated Housing, Office of the Administrator, Housing and Home Finance Agency, is hereby authorized, on behalf of the Housing and Home Finance Administrator, the successor in interest, pursuant to the provisions of Reorganization Plan No. 23 of 1950, 81st Cong., 2d Sess., 15 F. R. 4366, to the Reconstruction Finance Corporation (herein called "RFC") with respect to RFC's functions relating to providing financial assistance for prefabricated housing and

large-scale modernized site construction, to take the following actions in connection with the loan authorized by the RFC to Park Forest Homes, Inc., Chicago, Illinois, by RFC's resolution of August 11, 1949, as amended, adopted under section 102 of the Housing Act of 1948 (Pub. Law 901, 80th Cong., 2d Sess.), said loan, being secured in part by a mortgage dated December 29, 1949, and recorded in Cook County, Illinois, as document 14705010, having been transferred to the Housing and Home Finance Administrator pursuant to Reorganization Plan No. 23 of 1950:

1. Approve for recordation subdivision plats submitted by the borrower for any portion or portions of the property covered by the lien of the real estate mortgage to RFC securing the aforesaid loan;

2. (a) Release from the lien of the real estate mortgage to RFC securing the aforesaid loan by instrument or instruments of release an aggregate of not more than five hundred (500) lots to be designated by borrower in the subdivisions created by the aforesaid subdivision plats, all such lots lying and being in the County of Cook, State of Illinois; and

(b) In effectuating such release or releases, to transfer, sell, convey, alien, remise, confirm and set over to the mortgagor, without representation, recourse or warranty, any of the above-described lots.

Documents reflecting action taken pursuant to this delegation shall be signed in the following form:

UNITED STATES OF AMERICA,
HOUSING AND HOME FINANCE ADMINISTRATOR,
By DRAYTON W. CASADY,
Loan Examiner,
Division of Loans for Prefabricated Housing.

The Administrator's Temporary Order No. 4, effective September 7, 1950 (15 F. R. 6035), as previously amended (15 F. R. 6478), is hereby further amended to the extent of this delegation but in no other respect.

(Reorg. Plan No. 3 of 1947, 12 F. R. 4981 (1947); 62 Stat. 1268, 1283–85 (1948), as amended, 12 U. S. C. 1701c (Supp. 1949); 63 Stat. 413, 440 (1949), as amended, 12 U. S. C. 1701d–1 (Supp. 1949); Pub. Law 475, 81st Cong., 2d Sess., sec. 503 (1) (April 20, 1950); Reorg. Plan No. 23 of 1950, 15 F. R. 4366 (1950))

Effective the 26th day of October 1950.

[SEAL] RAYMOND M. FOLEY,
Housing and Home Finance Administrator.

[F. R. Doc. 50-9448; Filed, Oct. 25, 1950; 8:48 a. m.]

INTERSTATE COMMERCE COMMISSION

[4th Sec. Application 25506]

TRANSIT RATES ON LUMBER TO MEMPHIS, TENN.

APPLICATION FOR RELIEF

OCTOBER 23, 1950.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: Southern Railway Company.

Commodities involved: Lumber and other forest products, carloads.

From: Points on the Southern Railway and its subsidiary lines.

To: Memphis, Tenn.

Grounds for relief: Competition with rail carriers and circuitous routes.

Schedules filed containing proposed rates: Southern Railway Company's tariff I. C. C. No. A–11099, Supplement 18.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 50-9443; Filed, Oct. 25, 1950; 8:47 a. m.]

[4th Sec. Application 25507]

RUBBER TIRES AND PARTS FROM GRAND RAPIDS, MICH., TO NEW ORLEANS, LA.

APPLICATION FOR RELIEF

OCTOBER 23, 1950.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: L. C. Schuldt, Agent, for carriers parties to his tariff I. C. C. No. 4055, pursuant to fourth-section order No. 9800.

Commodities involved: Tires, rubber, pneumatic, and parts, carloads.

From: Grand Rapids, Mich.

To: New Orleans, La.

Grounds for relief: Circuitous routes.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 50-9444; Filed, Oct. 25, 1950; 8:47 a. m.]

[4th Sec. Application 25508]

SUGAR FROM LOUISIANA AND TEXAS

APPLICATION FOR RELIEF

OCTOBER 23, 1950.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: D. Q. Marsh, Agent, for carriers parties to his tariff I. C. C. No. 3662 and Agent W. P. Emerson, Jr.'s tariffs I. C. C. Nos. 405 and 380.

Commodities involved: Sugar, beet or cane, carloads.

From: Points in Louisiana and Texas.

To: Points in Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska and Wisconsin.

Grounds for relief: Competition with rail carriers, circuitous routes and market competition.

Schedules filed containing proposed rates: D. Q. Marsh's tariff I. C. C. No. 3662, Supp. 176. W. P. Emerson, Jr.'s tariff I. C. C. No 380, Supp. 86. W. P. Emerson, Jr.'s tariff I. C. C. No. 405.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 50-9445; Filed, Oct. 25, 1950; 8:47 a. m.]

[4th Sec. Application 25509]

IRON AND STEEL PIPE FROM TEXAS TO ILLINOIS

APPLICATION FOR RELIEF

OCTOBER 23, 1950.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: D. Q. Marsh, Agent, for carriers parties to his tariff I. C. C. No. 3752.

Commodities involved: Pipe, steel or wrought iron, welded or seamless, carloads.

From: Galveston, Houston and Orange, Tex.

To: Centralia, Gibson City, Nashville and Saybrook, Ill.

Grounds for relief: Competition with rail carriers and circuitous routes.

Schedules filed containing proposed rates: D. Q. Marsh's tariff I. C. C. No. 3752, Supplement 500.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emeremergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 50-9446; Filed, Oct. 25, 1950; 8:47 a. m.]

[4th Sec. Application 25510]

FERRO-SILICON FROM CALVERT, KY., TO ATLANTA, GA.

APPLICATION FOR RELIEF

OCTOBER 23, 1950.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: R. E. Boyle, Jr., Agent, for and on behalf of carriers parties to Agent C. A. Spaninger's tariff I. C. C. No. 1079.

Commodities involved: Ferro-silicon, carloads.

From: Calvert, Ky.

To: Atlanta, Ga.

Grounds for relief: Circuitous routes.

Schedules filed containing proposed rates: C. A. Spaninger's tariff I. C. C. No. 1079, Supplement 19.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 50-9447; Filed, Oct. 25, 1950; 8:48 a. m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 70-2475]

ALABAMA POWER CO.

SUPPLEMENTAL ORDER RELEASING JURISDICTION IN CERTAIN MATTERS AND PERMITTING DECLARACTION TO BECOME EFFECTIVE

At a regular session of the Securities and Exchange Commission held at its office in the city of Washington, D. C., on the 19th day of October A. D. 1950.

Alabama Power Company ("Alabama"), a registered holding company and a public utility company which is a subsidiary of The Southern Company, also a registered holding company, having filed a declaration, and amendments thereto, pursuant to sections 6, 7 and 12 (e) of the Public Utility Holding Company Act of 1935 (the "act") and Rules U-50 and U-62 promulgated thereunder, regarding, among other things, the proposed issuance and sale, pursuant to the competitive bidding requirements of Rule U-50, of 100,000 shares of cumulative —— percent preferred stock, $100 par value, and the issuance of transferable interim certificates for the new preferred stock pending authorization of the new class of preferred stock at a special meeting of stockholders; and

The Commission having by order dated October 11, 1950, permitted said declaration, as amended, to become effective, subject, however, to the conditions, among others, that the proposed sale of the new preferred stock of Alabama should not be consummated until the results of the competitive bidding pursuant to Rule U-50 had been made a matter of record in this proceeding and a further order had been entered by this Commission in the light of the record so completed, and that jurisdiction be reserved with respect to all fees and expenses incurred or to be incurred with respect to the proposed transactions; and

Alabama having filed a further amendment to its declaration herein stating that, pursuant to the invitation for competitive bids, the following bids for the said preferred stock have been received:

Group headed by—	Dividend rate (percent)	Price to company	Cost to company (percent of price)
Morgan Stanley & Co.	4.60	$100.06	4.59724
Union Securities Corp. / Equitable Securities Corp.	4.64	100.58	4.61324
Blyth & Co., Inc.	4.64	100.409	4.6211
The First Boston Corp.	4.68	100.00	4.68

Said amendment having further stated that Alabama has accepted the bid of the group headed by Morgan Stanley & Company as set out above, and that such preferred stock will be offered for sale to the public at a price of $102.20 per share plus accrued dividends from October 1, 1950, to the date of delivery, resulting in an underwriting spread of $2.14 per share of said preferred stock; and

Said declaration, as amended, further stating that the estimated fees and expenses to be incurred and paid by declarant in connection with the proposed transactions amount to $61,275, including a payment of not exceeding $4,000 to Southern Services, Inc., the mutual service company in The Southern Company holding company system, a payment of not more than $1,000 to Commonwealth Services Inc., an independent service company which is a former affiliate of Alabama, accountants' fees not exceeding $2,600 in the aggregate payable to Arthur Andersen & Co. and to Haskins & Sells, and legal fees in the amount of $10,000 payable to Winthrop, Stimson, Putnam & Roberts, counsel for the company; and said declaration, as amended, also stating that a fee of $7,200 is to be paid by the purchasers of the preferred stock to Reid & Priest, their counsel; and it appearing that such fees and expenses are not unreasonable; and

The Commission having examined said amendment and having considered the record herein and finding no basis for imposing terms and conditions with respect to the price to be paid for said preferred stock, the dividend rate and the proposed underwriter's spread in connection therewith;

It is ordered, That the jurisdiction heretofore reserved with respect to the matters to be determined as a result of competitive bidding in connection with the sale of the new preferred stock under Rule U-50 and with respect to fees and expenses be, and the same hereby is, released, and that the said declaration of Alabama, as amended, be, and the same hereby is, permitted to become effective forthwith, subject, however, to the terms and conditions prescribed in Rule U-24, and to the condition contained in our order dated October 11, 1950, pertaining to divided payments on the common stock of Alabama.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 50-9434; Filed, Oct. 25, 1950; 8:46 a. m.]

[File No. 70-2462]

UNITED GAS CORP. AND UNION PRODUCING CO.

NOTICE OF FILING

At a regular session of the Securities and Exchange Commission, held at its office in the city of Washington, D. C., on the 20th day of October A. D. 1950.

Notice is hereby given that United Gas Corporation ("United"), a gas utility subsidiary of Electric Bond and Share Company, a registered holding company, and United's wholly owned non-utility

subsidiary, Union Producing Company ("Union Producing"), have filed a joint declaration with this Commission pursuant to the Public Utility Holding Company Act of 1935 ("act") and have designated sections 6 (a), 7, 12 (f) and 15 of the act and Rule U-23 thereunder as applicable to the transactions proposed in said joint declaration, which may be summarized as follows:

Union Producing proposes to reduce the amount stated as capital with respect to its outstanding 50,000 shares of no par value common stock from $50,992,746.92 to $27,500,000 without reducing the number of shares and to transfer the amount of the reduction, $23,492,746.92, to a reserve account to be identified as "Reserve for Adjustments of Plant, Property and Equipment." United, as the owner of all of the outstanding stock of Union Producing, proposes to execute and deliver to Union Producing its written consent to the proposed reduction in capital. It is stated that the reduction of Union Producing's capital will be effected in accordance with the applicable laws of the State of Delaware, the State in which Union Producing is incorporated.

At June 30, 1950, United had on its books a reserve for "Future Losses or Adjustments with Respect to Capital Assets" in the amount of $23,445,673.59. This reserve is the remainder of an original reserve for such purposes of $32,218,208.52 created in 1944 in connection with the reorganization of United under section 11 (e) of the act (File No. 54-91). Since 1944 the reserve has been reduced through charges resulting from adjustments in the accounts of United Gas Pipe Line Company, a wholly owned subsidiary of United. United will account on its books for the proposed reduction in the capital of Union Producing by crediting its investment in Union $23,492,746.92 and charging $23,445,673.59 to the aforementioned "Reserve for Future Losses or Adjustments with Respect to Capital Assets" and $47,073.33 to Earned Surplus.

In the declaration it is stated that it is the intention of both Union and United that the reserve created on the books of Union, as proposed in the declaration will be applied by Union to provide for future adjustments in its accounts. The extent of adjustments in the accounts of Union, it is stated, must await a more detailed study of its plant account and other related accounts. In this connection, the declaration notes that the accounts of Union contain an item of $19,510,000 identified as "Position Value". Union and United are of the stated belief that the transfer of such reserve from the books of United to the books of Union is appropriate and reasonably adequate to provide for future adjustments in its accounts.

Declarants request that any order of this Commission permitting the joint declaration to become effective issue as soon as may be practicable and become effective upon issuance.

All interested persons are referred to said joint declaration which is on file in the offices of the Commission for a full statement of the transactions therein proposed.

Notice is further given that any interested person may, not later than October 30, 1950, at 11:00 a. m., e. s. t., request the Commission in writing that a hearing be held on such matters, stating the nature of his interest, the reason for such request, and the issues, if any, of fact or law proposed to be controverted; or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, 425 Second Street NW., Washington 25, D. C. At any time after said time and date said joint declaration, as filed or as amended, may be permitted to become effective as provided in Rule U-23 of the rules and regulations promulgated under the act, or the Commission may exempt such transactions as provided in Rules U-20 and U-100 thereof.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 50-9435; Filed, Oct. 25, 1950; 8:46 a. m.]

DEPARTMENT OF JUSTICE

Office of Alien Property

AUTHORITY: 40 Stat. 411, 55 Stat. 839, Pub. Laws 322, 671, 79th Cong., 60 Stat. 50, 925; 50 U. S. C. and Supp. App. 1, 616; E. O. 9193, July 6, 1942, 3 CFR, Cum. Supp., E. O. 9567, June 8, 1945, 3 CFR, 1945 Supp., E. O. 9788, Oct. 14, 1946, 11 F. R. 11981.

[Vesting Order 15252]

SUSUMU TSUKAGUCHI

In re: Interest in oil, gas and other minerals in and under certain real property, and claim owned by Susumu Tsukaguchi also known as S. Tsukaguchi. F-39-2882 and B-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Susumu Tsukaguchi, also known as S. Tsukaguchi, whose last known address is Japan, is a resident of Japan and a national of a designated enemy country (Japan);

2. That the property described as follows:

a. An undivided five-sixteenths (5/16ths) interest in and to all of the oil, gas and other minerals in and under and that may be produced from the following described lands situated in Marshall County, State of Oklahoma, to-wit:

The Northwest Quarter (NW¼) of the Southwest Quarter (SW¼) and the North Half (N½) of the Northeast Quarter (NE¼) of the Southwest Quarter (SW¼) of Section Five (5), Township Seven South (7 S), Range Six East (6 E),

together with any and all claims for rents, refunds, royalties, benefits or other payments arising from the ownership of such interest, and

b. That certain debt or other obligation owing to Susumu Tsukaguchi, also known as S. Tsukaguchi, by The Madill National Bank, Madill, Oklahoma, arising out of an account in the name of S. Tsukaguchi, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Japan);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described in subparagraph 2-a hereof, subject to recorded liens, encumbrances and other rights of record held by or for persons who are not nationals of designated enemy countries, and

There is hereby vested in the Attorney General of the United States the property described in subparagraph 2-b hereof,

All such property so vested to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on October 18, 1950.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON, *Assistant Attorney General, Director, Office of Alien Property.*

[F. R. Doc. 50-9410; Filed, Oct. 24, 1950; 8:51 a. m.]

[Vesting Order 15237]

HENRY GEILEN

In re: Debt owing to Henry Geilen, F-28-30695-C-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Henry Geilen, whose last known address is 29 Lothringerstrasse, Bochum-Gerthe, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows: That certain debt or other obligation owing to Henry Geilen, by Investors Syndicate (now known as Investors Diversified Services, Inc.), 200 Roanoke Building, Minneapolis 2, Minnesota, evidenced by Paid-up Certificate No. A-608516, together with any and all accruals thereto, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on October 16, 1950.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 50-9459; Filed, Oct. 25, 1950; 8:49 a. m.]

[Vesting Order 15225]

ETTA MEREDITH

In re: Estate of Etta Meredith (Meredich), deceased. File No. D-28-12451; E. T. sec. 16670.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Gustav Meredich (Meredith) whose last known address is Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the heirs at law, names unknown, of Adam Meredich (Meredith), who there is reasonable cause to believe are residents of Germany, are nationals of a designated enemy country (Germany);

3. That all right, title, interest and claim of any kind or character whatsoever of the persons identified in subparagraphs 1 and 2 hereof, in and to the Estate of Etta Meredith (Meredich), deceased, is property payable or deliverable to, or claimed by, the aforesaid nationals of a designated enemy country (Germany);

4. That such property is in the process of administration by Henry Post, as administrator, acting under the judicial supervision of the Probate Court, Goodhue County, Minnesota;

and it is hereby determined:

5. That to the extent that the person named in subparagraph 1 hereof and the heirs at law, names unknown, of Adam Meredich (Meredith), are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on October 16, 1950.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 50-9457; Filed, Oct. 25, 1950; 8:49 a. m.]

[Vesting Order 15242]

KIMI MATSUO

In re: Stock owned by Kimi Matsuo, F-39-4683-D-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Kimi Matsuo, who there is reasonable cause to believe is a resident of Japan, is a national of a designated enemy country (Japan);

2. That the property described as follows: Ten (10) shares of $5.00 par value capital stock of Nash-Kelvinator Corporation, a corporation organized under the laws of the State of Maryland, evidenced by a certificate numbered NY 085726, registered in the name of Kimi Matsuo, together with all declared and unpaid dividends thereon,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Japan);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold, or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on October 16, 1950.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 50-9461; Filed, Oct. 25, 1950; 8:50 a. m.]

[Vesting Order 14895, Amdt.]

HARUJI YAMAMOTO

In re: Stock owned by and debts owing to Haruji Yamamoto.

Vesting Order 14895, dated July 17, 1950, is hereby amended as follows and not otherwise:

By deleting subparagraph 2 (b) of said Vesting Order 14895 and inserting the following subparagraphs:

b. That certain debt or other obligation owing to Haruji Yamamoto, by the Phillips Petroleum Company, 80 Broadway, New York 5, New York, a corporation organized under the laws of the State of Delaware, representing cash received from the sale of ten (10) rights to subscribe to 2⅝th % debentures due 1975, issued by the aforesaid company, together with any and all accruals thereto, and any and all rights to demand, enforce and collect the same, and

c. That certain debt or other obligation owing to Haruji Yamamoto by the Phillips Petroleum Company, 80 Broadway, New York 5, New York, a corporation organized under the laws of the State of Delaware, representing cash received from the sale of ten (10) rights to subscribe for additional shares of common capital stock of the aforesaid company, together with all accruals thereto, and any and all rights to demand, enforce and collect the same.

All other provisions of said Vesting Order 14895 and all action taken by or on behalf of the Attorney General of the United States in reliance thereon, pursuant thereto and under the authority thereof are hereby ratified and confirmed.

Executed at Washington, D. C., on October 16, 1950.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 50-9463; Filed, Oct. 25, 1950; 8:50 a. m.]